

Transnational education in the European context – provision, approaches, and policies

Geographical Annex

Table of Contents

TRANSNATIONAL EDUCATION COUNTRY REPORTS

1	Offshore higher education programmes - the French situation	3
1.1	Introduction: background to French international education	3
1.2	The concept of offshore programmes	4
1.3	French offshore programmes: a quantitative assessment	7
1.4	Practices based on the most common types of programmes and programmes currently being developed	10
1.4.1	Francophone higher education programmes	10
1.4.2	Offshore programmes initiated by establishments	11
1.4.3	Offshore campuses	12
1.5	Cost and financing of offshore education	13
1.5.1	Francophone higher education programmes	13
1.5.2	Offshore programmes initiated by institutions	13
1.5.3	Offshore campuses	14
1.6	Results and prospects	15
1.7	Conclusion	18
2	Offshore higher education programmes - the German situation	19
2.1	Short introduction to transnational education in Germany	19
2.2	Main drivers at national (and regional) level	21
2.3	Overview of current offer	24
2.3.1	Type A - Academic backing for the development of new universities abroad	28
2.3.2	Type B - German faculties or graduate schools abroad	30
2.3.3	Type C - Independent German higher education providers abroad	30
2.4	Approaches and attitudes	30
2.5	Future development of the German transnational education sector: expected demand, opportunities and evolution	32
3	Transnational education in the Netherlands	36
3.1	Introduction to transnational education in the Netherlands	36
3.1.1	Transnational education and Dutch internationalisation policy	36
3.2	Main national level drivers for export of education	38
3.2.1	National level policy and strategy	38
3.2.2	Higher education legislation and cross-border provision	39
3.2.3	National level incentives and support for transnational education	40
3.3	Overall assessment of the current offer	41
3.3.1	Major institutions active in the field of transnational education	41
3.3.2	Number and types of exported programmes and main target countries	42
3.3.3	Numbers of students participating in Dutch cross-border programmes	46
3.3.4	Main motivations and drivers at the institutional level	46
3.4	Future development of transnational education in the Netherlands	47
3.4.1	Market for Dutch higher education abroad	47
3.5	Conclusion	48
4	Transnational education in Spain	49
4.1	Spanish higher education in the international context	49
4.2	The national framework for transnational education	50

4.3	Current offer of Spanish transnational education	52
4.3.1	Support and cooperation for transnational education operations.....	55
4.4	Motivations at institutional level and future development of transnational education.....	55
5	Transnational education in the United Kingdom	57
5.1	Introduction to transnational education in the United Kingdom	57
5.1.1	Definitions of transnational education and different approaches to overseas delivery.....	57
5.2	The main drivers of transnational education at the national level	60
5.2.1	Prime Minister's Initiative for International Education	60
5.3	Overall assessment of the current offer.....	62
5.3.1	Challenges in the data and the major transnational education markets	62
5.3.2	The main transnational education markets	65
5.3.3	Main models of delivery	65
5.3.4	A brief history of the expansion of UK transnational education.....	66
5.4	Drivers and motivations of UK institutions to engage in transnational education ...	68
5.5	Who are transnational education students?	69
5.6	Future developments.....	71
6	Transnational education in the US and Australia.....	73
6.1	Understanding of the term	73
6.1.1	Status and extent of cross-border operations	74
6.2	Main drivers at national and institutional level	76
6.2.1	National level policy on transnational education	76
6.2.2	Main motivations and drivers at the institutional level	78
6.2.3	Reticence about transnational education	80
6.3	Overall assessment of the current offer.....	81
6.3.1	Number of institutions offering degree-granting transnational education.....	81
6.3.2	Number and types of programmes on offer	82
6.3.3	Mode of delivery of the programmes.....	83
6.3.4	Numbers of (international) students participating in transnational education and the main destination countries	84
6.4	Future development of transnational education.....	87
6.4.1	Expected importance of transnational education for the higher education sectors in the US and Australia	87
6.4.2	Return on investment and benefits of transnational education	89
6.4.3	Trends in transnational education	89
6.5	Conclusion	90

1 Offshore higher education programmes - the French situation¹

1.1 Introduction: background to French international education

Since the mid-1990s, French higher education institutions (universities and *Grandes Ecoles*) have committed themselves to developing more ambitious international relations strategies. Several factors have helped to spark this internationalisation, most notably:

- i) the evolution of an aid programme for developing countries into a policy backing university partnership projects (from the early 1990s);
- ii) the rapid expansion of higher education and the rise in student numbers in emerging or developing countries leading to increased demand in these countries for university partnerships;
- iii) governmental willingness shown by the inclusion of international policy in the four-yearly contracts signed between the State and establishments (from the late 1990s);
- iv) the desire of some countries (Singapore, Malaysia, Dubai, etc.) to act as market-driven platforms for higher education, while attracting overseas partners; and
- v) the opening up of Central and Eastern European countries.

We may note that the new European framework (the Sorbonne-Bologna process) has rendered the French higher education system more accessible, thus improving links with traditionally non-francophone countries.

Since 1998, when the French government signalled a real desire to improve the attractiveness of France in terms of higher education (including notably the creation of the EduFrance agency), there has been a steady increase in the number of overseas students in France and a growth of projects exporting French higher education overseas.

The Conference of University Presidents (CPU) noted during its plenary assembly of October 2000 how: *“French universities are keen to develop themselves and to boost their international attractiveness. This can be done in a number of ways: hosting overseas students, exchanging students and teachers, engaging in inter-university partnership agreements for research and co-supervision of theses, etc., and developing offshore programmes. The latter activity has been expanding significantly in recent years”*².

Noting the boom in offshore programmes, the CPU also expressed a number of concerns: *“the development of offshore programmes, whether leading to national degrees or university diplomas, involves serious responsibilities for French universities. Any failure to provide a quality service may have serious consequences for higher education promoted by the CPU.*

¹ Study carried out by Pierre Antoine Gioan (CampusFrance). Those who expressed opinions or responded to questions are: (in alphabetical order): Boulkroune Khalef (AUF); Cazin Etienne (CampusFrance); Cohen Elie (President of the National Council for the development of international student mobility); Dacunha-Castelle Didier (Orsay University); Demichel Francine (ex-Director Higher Education); Deslandes Benoit (DREIC); Khaiat Béatrice (CampusFrance); Lellou Abderrahamane (AUF) Manière Roger (MAEE); Perraudin Michel (DREIC); Pol Patricia (Paris XII); Racineux Philippe (CampusFrance); Ricordel Anne (CPU); Louise Watts (CampusFrance).

² International initiatives of universities: the example of “relocations”; (19/10/2000) ‘Maison des Universités’. Mutualisation Agency for Universities and Establishments. <http://www.amue.fr>

*A responsible policy for offshore development should meet scientific, pedagogical and social quality standards.*³

The National Council for the development of international student mobility, established in October 2003 by the French government, noted in May 2006 how promoting higher education programmes run by French establishments overseas was among the measures chosen by the government to boost the attractiveness of France: *“Offshore programmes and student mobility are not necessarily contradictory. These schemes help to pick out the best candidates wanting to complete their training in France towards a Master’s degree or a PhD.”*⁴

Initiatives led by French higher education institutions have since multiplied to such an extent that government authorities (the Ministry for Higher Education and the Ministry for Foreign Affairs as far as international relations and the Conference of University Presidents are concerned), after initially viewing them with a benevolent eye, have become increasingly concerned with the expansion of myriad schemes, which are difficult to grasp and categorise and which are creating a situation that is far from easy to control or regulate.

In a 2006 speech, the first vice-president of the CPU declared: *“We must ensure that diplomas offered overseas should have at least the same value as those that we award in France, and we must pay particular attention to the quality and aims of our offshore activities with a view to nurturing balanced and lasting partnerships. Offshore programmes and competition between French universities or between universities and research bodies in the context of their international projects are examples of situations where a code of good conduct is necessary.”*⁵

1.2 The concept of offshore programmes

As stated in decree 2005-450 of 11 May 2005, concerning the award of qualifications within the scope of international partnerships, the French legislator prefers the broader concept of “qualifications within the context of international partnerships” rather than the more restrictive concept of offshore programmes (*formations délocalisées à l’étranger*).

This text, which filled the legal void that existed on the matter until 2005, states that French degrees can be awarded within the framework of international partnerships, while leaving great latitude concerning the conditions of how international partnerships may be fulfilled. The sole obligations laid down by this text are: i) the institution must be authorised by the French government to award the qualification; ii) the international partnership must be formalised by an agreement between the institutions concerned; iii) the agreement must specify all conditions for the delivery of the programme; iv) it should also include certification procedures in line with the quality standards applied by the French government for the accreditation of the concerned diploma. The agreement between the institutions concerned must also set out enrolment conditions for students without however requiring that they be enrolled in a French establishment. The text suggests a balanced alternation of training between the partner establishments. In addition, the text stipulates that partner establishments can either jointly award a single degree or simultaneously award a degree in each country.

³ Ibid.

⁴ Quoted in “La Lettre d’Egide” no. 44; dossier on off-shore training; October 2006.

⁵ Speech by Yannick Vallée, First Vice-President of the CPU, 17 March 2006 on the theme: “Internationalisation and the international policy of universities”.

The concept of “qualifications within the context of international partnerships” covers a broad diversity of actual situations, which are categorised in various ways by higher education establishments and government authorities.

A number of institutions classify “international partnerships leading to the award of degrees” in four categories according to the manner in which the qualification is awarded, the structure of the programme and the degree of mobility of the students. By way of example, the University of Paris 12 distinguishes between⁶:

- i) **Integrated courses with double degrees.** These courses, conceived jointly by partner institutions provide for a *share of the teaching to be carried out in each of the institutions* and for students to be able to fulfil a part of their education overseas. Students are enrolled in the establishment of their choice and receive a degree from each institution, after validation of their studies in both partner institutions;
- ii) **Double degrees for students from partner institutions.** Only students from the partner country may receive a double degree. The programme provides for a minimum local curriculum, plus either an optional curriculum in preparation for a degree from the French university or a study period in France with specific tuition. Students may sit exams leading to each degree;
- iii) **Offshore programmes.** Students follow the entire curriculum in the partner institution and only receive a French qualification. The programme is defined by the French institution. The student in this case is enrolled in both establishments and may have to pay tuition fees in both institutions;
- iv) **Joint degrees (or ‘co-diplomation’).** Students receive a single ‘international’ degree recognised by the signatory partner institutions. The course is tailored to the expectations and needs of the host institution.

The French Ministry of Foreign and European Affairs (MAEE) has for its part adopted a political and administrative approach by distinguishing between four kinds of programmes:

Francophone higher education programmes, which represent a wide variety of academic projects, may be classified according to a single definition: “*higher education programmes leading in principle to a joint degree, incorporated within a local institution and whose teaching is carried out entirely or partially in French in countries where it is not the dominant language for higher education*”⁷. This category includes francophone programmes supported by the French Ministry of Foreign Affairs as well as programmes backed by the ‘Agence Universitaire de la Francophonie (AUF)’, which represent over 200 projects in 26 countries;

Overseas French universities, which are institutions created by governmental initiatives to boost cultural and political links between France and the host countries. In this category we find the French University of Egypt (founded in 2002) and the French University of Armenia (established in 2003). There is also a plan in progress to launch a French University in Tunisia. These overseas French universities have cooperation agreements with French universities and award qualifications that are recognised by France and by the host country. France encourages the founding of such institutions in countries marked by strong student mobility towards France, offering locally French undergraduate programmes while attracting the best students to pursue their studies in France at masters and PhD levels;

⁶ *The kinds of international partnerships*, Universities of Paris 12, Internal document 2007.

⁷ The 2006 list of francophone advanced training courses overseas; MAEE/DGCID; 2006.

Historic institutions, with which France maintains strong cooperation. Among these institutions we can mention the Galatasaray University in Istanbul (founded via a bilateral accord in 1992) which boasts around 2 500 students; the Saint-Joseph University in Beirut (established in 1875), a francophone multidisciplinary university with an enrolment of around 10 000 students; the Lebanese University of Beirut (established in 1959) with around 70 000 students. These institutions offer courses taught in French, some of them leading to co-degree formulas or joint degrees with French establishments. They are strongly supported by the French government and the AUF, which assist in the financing of partnership agreements;

Off-shore campuses, which are overseas centres created by French public or private institutions to offer their courses and degrees. Creating an offshore campus requires a permanent physical structure and the setting up of a local organisation for the management of teaching and research activities. One of the oldest is the INSEAD centre (European Institute of Business Administration) in Singapore which opened in October 2000. Since then, projects have multiplied with for example the establishment of *Ecole Centrale* (a group of engineering schools) in Beijing (2005); the Paris IV University (Sorbonne) centre in Abu Dhabi (2006); and the ESSEC centre (Higher School of Economic and Commercial Sciences) in Singapore (2006). These projects may be supported by the French government (e.g. the *Ecole Centrale* schools in Beijing), the host government (e.g. the United Arab Emirates for the Paris IV University) or may depend solely on private financing (e.g. ESSEC in Singapore).

The president of the National Council for the development of international student mobility has suggested classifying projects according to the way they were initiated and developed, as follows:

- i) **Projects initiated on the occasion of visits by heads of state or government.** An impetus is given from the highest political level, followed by more or less rapid implementation. This for example is the case of the French University of Egypt (2002); the Algiers Higher School for Business (ESSA), backed by a consortium led by the Paris Chamber of Commerce and Industry (2004); and the Franco-Malaysian University Centre (2006), which unites the initiatives of several French establishments in the country;
- ii) **Projects initiated by the French government as part of bilateral agreements.** This for example is the case of the University of Galatasaray in Turkey. This project, launched in 1989, was supported by the French and Turkish authorities. The protocol agreement founding the university was signed in December 1991 by French and Turkish delegations. Also falling under this category are offshore programmes initiated as part of higher education support projects financed by the Priority Solidarity Fund (FSP) run by the MAEE. These notably concern developing countries in Africa, the Indian Ocean and Asia (Vietnam for example);
- iii) **Projects initiated by major organisations and networks** such as the AUF (Francophone University Agency) the Paris Chamber of Commerce (CCIP), the FNEGE (National Foundation for business management education), which co-ordinates the offshore provision of numerous management training programmes;
- iv) **Projects initiated by institutions**, a consortium of institutions or specific departments of institutions. These may or may not benefit from national or multinational funding, and dozens of projects from almost all regions of the world may fall under this category.

In the present study, although there is no clear-cut distinction between the various categories, we will call “**offshore programmes**” courses in which a French institution provides the curriculum and awards the qualification, but which are carried out entirely in a foreign country⁸. This definition generally implies that the student is enrolled in a French institution (which awards the qualification). The student may or may not have to pay an enrolment fee to the French establishment that awards the degree. Courses leading to a double degree (awarded by the French establishment and by the host establishment) may fall under this category when the curriculum is for the most part that of the French establishment.

Programmes leading to a joint degree, or to a qualification recognised by the partner institution(s) are generally more diverse with regard to their curricula (which may be a combination of the curricula of the partner establishments), the study paths available to students (who can carry out their courses in both partner institutions), enrolment conditions (the student being enrolled in the institution of his/her choice, according to agreements made between institutions), and payment of enrolment fees (in general paid to the host country institution).

We shall not make reference in this description of French offshore higher education provision, to projects financed under European programmes (Asia-Link, Tempus, Erasmus Mundus, or Alban) which mostly cover partnerships between several European and third country institutions.

1.3 French offshore programmes: a quantitative assessment

Providing a quantitative assessment of offshore programmes is a difficult task, in that:

- i) the concept covers very different situations and attempts made by the French authorities to list existing provision have not always included projects corresponding to the notion of offshore programmes, as defined above;
- ii) France has no central or regularly updated file providing a snapshot of the situation. Moreover, the information provided by institutions in response to government surveys is often inadequate, and cannot provide an accurate account of the state of play. The response rates of institutions to this kind of survey are in general fairly low (at best around 50%) either because the institutions fail to respond or because the staff replying to the survey does not have the required information themselves.

Despite these difficulties, we may attempt an estimation based on recent and ongoing surveys.

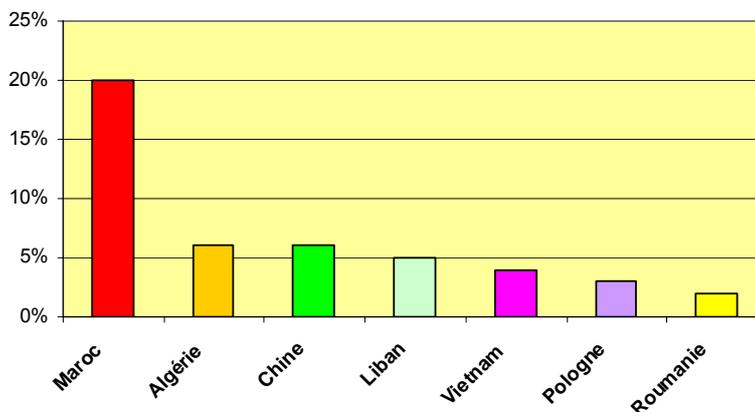
One survey carried out in 2005 by the EduFrance agency, examining international offices at higher education institutions, showed that 67 percent of those which responded said that they had a policy of offshore development, compared to 21 percent which replied in the negative (of 102 institutions asked, 53 responded to the survey, giving a response rate of 52%).

Countries in which institutions said they ran these projects appear in the chart below:

⁸ At the steering committee meeting for university governance support programmes of 4 May 2007, the AUF produced a note about “international co-diplomation” which distinguished the following scenarios:

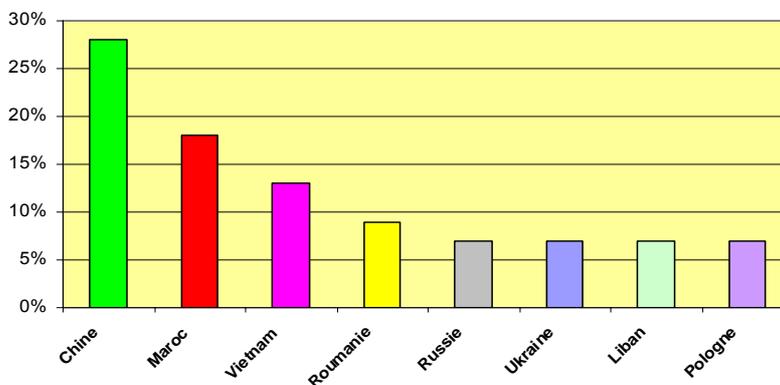
- the equivalence of degrees
- the relocation of curricula
- double degrees
- ‘co-diplomation’ or joint degrees

Chart 1: EduFrance survey 2005: countries most often cited in offshore education strategies⁹



In April 2006 a survey on “offshore programmes” was launched by the Conference of University Presidents (CPU)¹⁰. Of the 28 establishments which responded (102 asked), 24 confirmed that they were involved in offshore projects, while just four said that they were not. Globally we may count in this survey 126 offshore programmes at masters level, 46 at bachelors level and 39 other diplomas including 24 DU (University Diplomas, which are not recognised at the national level). A study of the geographic spread of these courses shows that they are notably found in North Africa (58%), in Europe (22%), in Asia (12%) in South America (4%) and in North America (4%). The countries in which institutions said they ran these projects appear in the chart below:

Chart 2: CPU survey 2006: countries most often cited as sites of offshore education projects



A comparison between the two surveys shows that the countries most often cited, albeit in different proportions, remain constant: China, Lebanon, Morocco, Vietnam, Poland and Romania.

This final survey, despite the incomplete nature of responses, also shows that the majority of offshore courses are at masters level (usually the second year of a degree, corresponding to the former DESS qualification¹¹). These professionally-oriented courses have proved easier to implement abroad in that the number of teaching hours is relatively low (around 250 to 400

⁹ EduFrance note no. 3: *Survey on international offices*; March 2006.

¹⁰ Internal document.

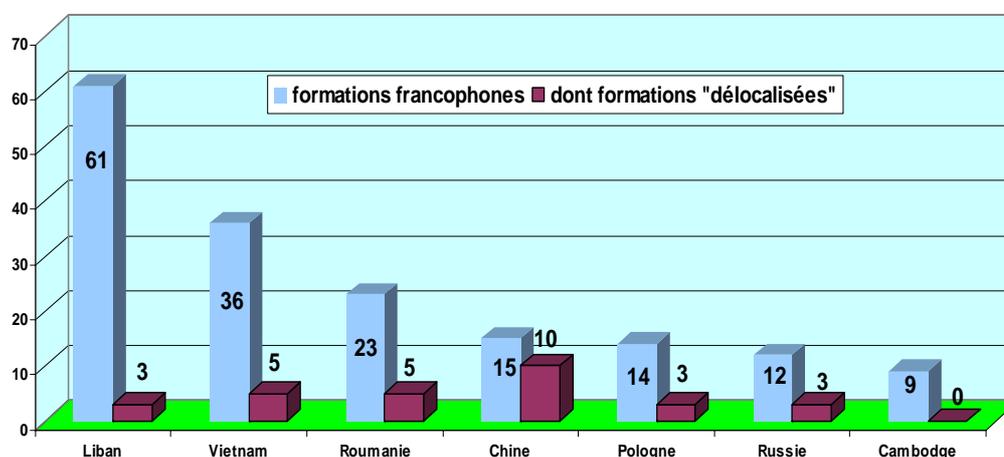
¹¹ DESS = Diploma of Specialised Higher Studies, corresponding in new terminology to the second year of a professional masters.

hours, completed by an internship carried out locally) and includes lectures by industry professionals, who can be recruited in the host country.

In June 2006 the Office of European and international relations and cooperation (DREIC) at the French Education Ministry launched a survey among international offices in higher education institutions, looking into “International partnership masters courses” run in cooperation with overseas higher education institutions, leading to a double degree or a joint degree¹². Of the 78 institutions that responded to the survey (54% of 145 institutions asked), 57 (or 73% of responses) said that they ran International partnership masters courses (296 currently operating and 119 in preparation). The majority of these courses (67%) concern masters as a double degree with another European Union country, which are not part of our study. The report by contrast finds a relatively low number of masters run in partnership with institutions in Africa (7.4%) and Asia (6.1%), figures that somewhat contradict the surveys mentioned above, implying that the institutions that responded to the survey made a distinction between international partnership masters and offshore programmes.

However, none of the surveys mentioned above provides accurate information about the number of students concerned. More precise indicators may be obtained by looking at francophone higher education programmes overseas supported by the Ministry of Foreign and European Affairs (MAEE) and by the Association of Francophone Universities (AUF), although these programmes only account for a part of French offshore provision. The 2006 survey of francophone advanced training overseas, published by the MAEE, lists 242 courses, with an enrolment of around 40 000 students. Of these 242 francophone courses, 39 are offshore programmes (i.e. programmes where all teaching is taken at the partner institution), 81 are double diplomas, 11 joint diplomas and 101 national diplomas accredited by French Ministry of Higher Education.

Chart 3: Analysis of 2006 list of francophone higher education programmes



The types of programmes found in each geographical area vary according to the date of their creation and their stage of development, the ultimate goal of such programmes being the gradual assimilation into the host country’s higher education system. In Central and Eastern European countries, we see a large proportion of offshore courses and double degrees covering around 5 000 students (50% of students enrolled in francophone programmes). In the Middle East (Lebanon) these programmes mainly involve support for courses leading to local qualifications covering around 20 000 students. Only 10 percent of francophone

¹² International partnership masters. Results of the survey carried out on international offices of higher education institutions; DREIC; June 2006.

programmes here correspond to offshore courses or double degrees. In Asia (Vietnam), almost all courses which figured in the list are sanctioned by a local qualification and by a certificate provided by the Francophone University Agency (AUF). Approximately 4 000 students are enrolled in the programmes in Vietnam.

We note that another survey was launched in 2007 by the Conference of University Presidents (CPU), which attempts to describe French institutions' offshore activities as *ouverture et gestion de formations à l'étranger* (OGFE), (international opening and transnational education management). As this survey is still in progress, we have not been able to make use of its results.

1.4 Practices based on the most common types of programmes and programmes currently being developed

In order to define the most common practices in the field of offshore programmes, as well as those likely to develop, we can provide details of three distinct categories which are highly diverse in terms of history, academic structure, financial arrangements and the nature of the partners. These are:

- Francophone higher education programmes and francophone programmes run by the Francophone University Agency (AUF)
- Offshore programmes set up by institutions
- Off-shore campuses

1.4.1 Francophone higher education programmes

The term *formation supérieure francophone* (francophone higher education programme) refers to all higher education courses taught entirely or partly in French and leading to the award of degrees in countries whose first language is not French. A list of these programmes (see above) based mainly in Eastern Europe (Romania, Poland, Bulgaria, Hungary, Russia, etc.), the Middle East (Lebanon, Egypt) and Asia (Vietnam, China, Cambodia, Laos) demonstrates a wide variety of situations, from the offshore delivery of French courses to a situation where the French partner introduces francophone elements into a national curriculum sanctioned by a local degree. Between these extremes, a large number of intermediate formulas exist – from joint to double degrees, from a certificate awarded by the French partner to a simple reference to a francophone programme in the national qualification.

Supported financially by the Ministry of Foreign and European Affairs (MAEE), some of these programmes also enjoy the support of the AUF (Francophone University Agency), an organisation funded by *Organisation Internationale de la Francophonie* and in charge of promoting cooperation and exchanges between universities of francophone countries. In spite of the multiplicity and diversity of programmes supported by the MAEE, it is possible to identify some common features in terms of the subjects taught, which reflect the existence of a French government policy in the matter. Though the creation of these programmes is related to historic circumstances and local particularities, we may also observe that financial support has been concentrated in three main areas: engineering, economics and business management, and law and public administration.

Promoting a policy of aid and development while boosting France's international role, the goal is to train specialists whose skills would then contribute to the swift development of emerging countries, mainly in Eastern Europe and Asia. The programmes supported are mostly professionally oriented in nature. They are designed to train the best executives, who

will then be able to contribute to economic development, support investment by French companies, and help the development of the rule of law and the construction of an efficient government administration. The projects aim above all at university cooperation.

Francophone programmes supported by the AUF

Besides the programmes that it supports jointly with the MAEE, the AUF (the Francophone University Agency) has developed its own *filières universitaires francophones* (francophone university programmes). These are mainly found in the countries of Eastern Europe and Asia (Vietnam). Globally in 2007, the AUF supports some 56 francophone university programmes (including 23 at masters level) representing around 6 400 students.

The main aim of this policy was initially (at the start of the 1980s) to re-establish ties with francophone universities in member countries of the International Francophone Organisation (OIF) where the majority of the population does not speak French (55 member states). Besides the objective of linguistic and cultural diversity, the aims of the AUF in supporting these programmes are: i) to consolidate the capacities of member universities in the network (658 establishments in 74 countries belonging to the OIF and beyond); ii) to reinforce the international integration of member universities; iii) to ensure the employability of students in the market place. AUF supported programmes should correspond to the stated priorities of the Agency, which uphold the rule of law and democracy; sustainable development; French language and cultural diversity; and education.

Support for these programmes, in the form of funding teaching fees and travel expenses for tutors from partner universities, as well as equipment or budgetary support, is in theory provided for a limited time (six to ten years, according to the duration of the course). The ultimate aim is that the funded programme should be entirely integrated and assimilated into the host institution.

Besides the highly varied courses developed in partnership with national institutions, the AUF supports the creation and running of specialised training centres such as the Francophone Institutes: IFAG (Administration and Management) in Bulgaria; IFE (Entrepreneuriat) in Mauritius; IFGC (Caribbean administration); IFI (I.T.) in Vietnam, in partnership with French or francophone establishments. Some of these institutes offer masters programmes delivered by French universities (University of Nantes at the IFAG, Universities of Bordeaux 6 and Paris 12 at the IFE, etc.).

Another formula currently being developed consists of supporting “open and distance learning (FOAD)” by funding the enrolment fees for selected students and by providing them with ‘digital campuses’ and the AUF’s information access centres. In this way students can follow courses locally in good conditions and benefit from the AUF’s technical infrastructure and networks, as well as advice, assistance and mediation by local tutors to help with their learning. Most of these courses are run entirely by distance learning, using digital technologies. Exams take place in the normal way in monitored halls. Distance learning qualifications have the same academic value as classic qualifications. Around 50 distance learning courses are being offered in 2007-2008, of which five (5) are African qualifications (bachelors and masters), entirely or partially by distance learning, offered by Senegalese and Cameroonian institutions. Almost 700 distance learning scholarships are offered by the AUF.

1.4.2 Offshore programmes initiated by establishments

On their own initiative, French institutions have set up offshore projects which are not part of any national or international cooperation programme and without any external funding. These projects are mostly born of individual initiatives, and mainly concern developing countries in

Africa (Morocco, Tunisia, and Senegal) and to a lesser extent in Asia. The case of Morocco is most significant. The analysis that we have carried out on a sample of 250 cooperation agreements made by 60 French institutions with Moroccan institutions, shows that 41 agreements concern offshore programmes¹³. Almost all of these agreements (39 out of 41) involved French **public** institutions and **private** Moroccan institutions.

This trend is noticeable in developing countries (mainly in Sub-Saharan Africa and Northern Africa) where public higher education is precarious, and where the private higher education sector has grown as an alternative to the public sector. For its expansion, the local private sector is aiming to develop attractive courses by offering foreign degrees, thus providing a seal of quality for the student who can gain a French qualification without having to move to France.

Such projects bear a number of common aspects:

- Most cases involve courses at masters (year 2) level (29 out of 41 projects), which do not require a heavy investment in time or equipment (there are practically no projects in technological disciplines).
- In all cases, about 50 percent of teaching is carried out by teachers from the French institution. The French institution's approval is required for the recruitment of local teachers. The examining juries are in general supervised by the French partner institution.
- Funding is assured by the local private partner who pays directly for French teachers' fees and travel expenses and who transfers to the French university a fixed amount for management fees. Students are enrolled in both establishments and pay (modest) enrolment fees to the French establishment.
- The diploma is awarded by the French partner institution.

Between 1 000 and 2 000 students in Morocco are enrolled in such programmes in private centres.

1.4.3 Offshore campuses

This generally involves creating a branch of an institution (Sorbonne University in Abu Dhabi) or a network of French institutions overseas (Group of *Ecoles Centrales* in Beijing). The aim is to provide a range of courses in a foreign country, similar to that offered in France, with the award of a French qualification.

These are large scale operations that mobilise far greater resources than partnership schemes between institutions. Beyond the investments necessary for the physical construction of campuses, these initiatives require the setting up of a local administration, a staff comprising full-time teachers and a budget befitting a prestigious project. Besides contributing to high quality training, projects carried out with globally renowned institutions have helped the host countries (China, Singapore, and United Arab Emirates) to attract more students at a regional level while promoting their international and intellectual influence. For the French institutions, these centres provide new opportunities in high growth regions around the world. They also generate a stream of students aiming to complete their studies in France. This is the case for INSEAD and ESSEC, which in the Paris region host a growing number of top level students who began their training in Singapore.

Aware of just how much is at stake politically and economically in the spread of knowledge, the French government associates several advantages with these projects (some of which it

¹³ These cooperation agreements were provided to us for consultation by the DREIC.

supports financially, e.g. *Ecole Centrale* in Beijing): improving French visibility, ensuring the long-term loyalty of students, and linking higher education systems by introducing the bachelor-master-doctorate European structure. For his part, the president of the external relations committee of the CPU supports off-shore development “so long as it is limited to undergraduate level. These courses can help reduce undergraduate dropout rates for overseas students in French universities, who are not sufficiently prepared for studying outside of their own countries”¹⁴. From this perspective, we may expect in the coming years the emergence of undergraduate programmes outside of France, as projects currently under discussion in North African countries seem to indicate.

1.5 Cost and financing of offshore education

It is a complex task to estimate the cost (on the French side) and describe the sources of funding of offshore programmes because situations are so varied, with each unit possibly representing a specific case. We may find anything from voluntary help and militant commitment to market strategies. Based on assessments carried out and figures sent mainly by the MAEE, we will however try to define a number of common factors according to the most frequent types as described above.

1.5.1 Francophone higher education programmes

An assessment of francophone programmes in Central and Eastern European countries¹⁵, carried out at the request of the MAEE in 2001, reveals considerable variations in costs from one programme to another. These differences are due to the nature of each partnership and negotiations between partner establishments. In general the host institution provides the premises, equipments and local teachers. The French institution finances its own teachers' fees and travel expenses as well as student mobility where there is scope for this. Recent estimates put the costs from under € 1 000 to € 15 000 per year per student. The average cost for the French side stands at € 2 300 per annum, which is far lower than the average cost for a student in France (€ 7 000 for universities and € 10 000 for the *Grandes Ecoles*).

The evaluation report notes how: “*the attitudes observed among French institutions are extremely varied: ranging from voluntary work to a lucrative activity, from quasi-tourism to remarkable professionalism, from delegating as far as possible to the recipient establishment to a complete takeover. These methods are reflected in the overall costs.*”

With regard to funding, the Ministry of Foreign and European Affairs pledged in 2006 around € 8.6 million in support of these programmes (€ 4 million for francophone programmes, 1.6 million for “French universities overseas” and 3 million for “historic” institutions). Some French institutions also contribute to funding out of their own budgets, or by seeking additional assistance. They are more inclined to do this where they are the project initiators and where they award the degree. Beneficiaries contribute to the funding of the programmes by paying enrolment fees, which are usually very low, as is the practice in France.

1.5.2 Offshore programmes initiated by institutions

For this type of programme, which in most cases means offering masters courses from French public institutions at private institutions in developing or emerging countries, the costs

¹⁴ Cited by “La Lettre d’Egide” no. 44; Dossier on off-shore training; October 2006

¹⁵ *Evaluation of new francophone programmes in the countries of Central and Eastern Europe and the New Independent States*, Dominique Antoine, Jean Saudubray and Laure Dolique, February 2001.

for the French side essentially cover: i) teaching hours; ii) supervisory staff, examination juries (daily or hourly rates); iii) travel and living expenses; iv) the local institution's management fees (as a percentage of the total budget); v) course design costs; vi) student enrolment fees based on the usual French tariff. For one year masters programmes the budget for the French side varies for most of the projects between € 20 000 and € 80 000 per year¹⁶, depending on the distance, the number of teaching hours carried out by the French side and the number of students. This budget concerns a group of between 10 and 30 students. The costs linked to services realised by the French partner can thus range from € 1 000 to € 8 000 per student each year.

Contrary to francophone programmes, these programmes feature hardly any voluntary help or militant commitment, instead firmly subscribing to a "commercial" logic. While the operation is profitable for the French institution (which receives enrolment fees, management costs and in certain cases a French government grant for each student registered), the travelling teacher is also a financial beneficiary as, in many cases, his or her teaching hours are paid for directly by the local institution. This type of programme is in general funded entirely by the students who pay the tuition fees to the private partner institutions. One question remaining for the French institutions in these programmes is to know whether practical costs should reflect the real costs of hours taught or just marginal costs incurred by each of the programmes.

1.5.3 Offshore campuses

The funding for these centres, with relatively large budgets (€ 12 million per year for the *Ecole Centrale* in Beijing¹⁷), very much depends on the tuition fee policy, and the degree of financial involvement of governments and other bilateral/multilateral partners. Even if the project enjoys from the start financial backing from a government or multilateral body, a major constraint is to adhere to a strategy of self-funding. This is key to avoiding a total collapse should one of the institutional finance partners withdraw.

For the *Ecole Centrale* in Beijing for example, which has a policy of keeping tuition fees no higher than those of Chinese universities so as to recruit students on exclusively academic grounds and not on their ability to pay high fees, the search for a financial partner is key to ensuring project funding. Besides contributions from the French Ministries of Education and Foreign Affairs, the project is supported by the Nicole BRU Foundation, the Honorary Committee of the 'Year of France in China' as well as private companies.

Although the Government of the United Arab Emirates has made a large financial contribution to founding the University of the Sorbonne in Abu Dhabi, the running costs are mainly covered by enrolment fees paid by students (around € 6 500 euros per semester). As such, its viability depends on the number of students that it can regularly attract.

For private institutions running offshore projects, it is essential to achieve financial balance, or even to make a profit. In a 2006 report by the Embassy of France in Singapore¹⁸, the authors note how the French Schools INSEAD and ESSEC award MBAs with tuition fees of between € 17 000 (ESSEC) and € 45 000 (INSEAD over 2 years).

¹⁶ Amount drawn from analyses of agreements concerning relocation projects in Morocco and Malaysia.

¹⁷ Figure cited in a report on the meeting of the National Council for the development of international student mobility, held in Paris on 13 June 2006.

¹⁸ *Higher education institutions in Singapore: between innovative strategies and commercial logic: Embassy of France in Singapore*, Chloé Lombard and Antoine Mynard; May 2006.

1.6 Results and prospects

There are few analyses or assessments available in France on transnational higher education, and in many cases there is not sufficient hindsight (especially for off-shore programmes) to allow the drawing of conclusions. We shall therefore base our analysis on the several partial reports and opinions expressed during interviews carried out for this study.

The report completed for the MAEE in 2001 on francophone programmes in Central and Eastern Europe (see above) concluded that the “Francophone higher education programmes” model is an appropriate tool for French cooperation policy. These programmes lead to a joint degree, in most cases, and teaching is carried out entirely or partially in French in countries where French is not the main higher education language. Francophone higher education programmes represent a response tailored to the expectations of local students, with a good cost/impact ratio and with a positive influence on the local university environment.

From this evaluation, the authors drew the following key lessons:

- i) that the success of this kind of project depends more on the support of the university community than on the backing of government authorities, though the latter does represent a factor for success;
- ii) that political strategies or government plans are no substitute for a solid scientific project on which the programme should rest. Governments should support and regulate programmes rather than initiate them;
- iii) that while public funding is necessarily temporary, this type of project usually requires financial support for a minimum of 10 years;
- iv) that francophone programmes should be open to the English language;
- v) that it is necessary to distinguish from the outset what falls under the project strategy and what relates more to permanent university cooperation.

Fifteen years after the launch of the first programmes in this region, the *filières francophones* model remains attractive and most often serves as a privileged pathway towards access to further studies in France. The best students are generally awarded scholarships from the French government. Since the 2001 report the European framework (the Sorbonne – Bologna process) has been implemented, establishing new standards that these programmes will now have to adhere to.

Another assessment has been carried out on francophone university programmes supported by the AUF in the Asia Pacific Region (49 programmes covering around 4 245 students in 2004-2005)¹⁹. The report concluded that it was crucial, some 10 years after the launch of these programmes, to review objectives in the light of the following regional developments:

- 1 the evolution of the political and economic situation;
- 2 the growth of other francophone and anglophone programmes;
- 3 the emergence of private higher education.

The main adjustments proposed by the report concerned:

- 1 the need to coordinate AUF programmes with bilateral and multilateral francophone programmes and with other European cooperation programmes;

¹⁹ Francophone programmes supported by the AUF in Asia-Pacific. Report from the regional office. AUF Asia-Pacific Bureau, 2005.

- 2 the need to articulate teaching and research in partnership with francophone research institutes present in the region;
- 3 the need to create the conditions for the development of sustainable projects.

Mainly regarding programmes at bachelors level, the report advocated a further development of these programmes at masters level, notably by setting up offshore francophone courses.

From another point of view, a study carried out for the Embassy of France in Singapore (cf. below) analyses innovative and commercial strategies, which are developing in the education sector in Singapore. The study focuses on strategies underpinning the development of foreign institutions in this country, which is aiming to become a regional and global platform for higher education. The ambition of Singapore is illustrated by expressions like “a trusted international education hub” and “toward making Singapore a global schoolhouse”²⁰. Three kinds of strategies are put forward:

- i) Classic exchange programmes between local and overseas universities leading to joint degrees or co-degrees, in which exchange students may share their studies between the two countries. The report finds that French institutions occupy an honourable place in this segment, though the number of students remains modest;
- ii) Off-shore campuses (such as those of ESSEC and INSEAD mentioned above);
- iii) Private Singaporean institutions offering foreign programmes either on campus or by distance learning. This formula is in full swing and the study counts some 100 000 students enrolled in such programmes (or three times more than the three main universities of Singapore).

The study remarks on the economic dynamism of this sector, with new actors appearing every year. Given their proliferation, quality standards have been laid down by the Singaporean government in order to assess them²¹. Well-established institutions issue their own undergraduate diplomas, though masters and PhD degrees are only awarded with the seal of overseas universities. Sophisticated distance learning formulas are also offered by these centres. It is worth noting that French institutions are practically absent from this segment in Asian countries while they are very active in francophone countries of North and Sub-Saharan Africa. This can be explained by the fact that these countries are closer to France geographically, culturally and linguistically.

The proliferation of French offshore programmes in private institutions in these countries has aroused vocal criticism. As emphasised in an internal report by the Ministry of Foreign Affairs concerning one North African country, the quality and reliability of private local partners remains a cause for concern: *“even where private institutions are recognised by local authorities, they are never assessed. To this day it is well known that the vast majority of these institutions face recruitment difficulties, care little about the quality of the students they enrol, and aim to justify their very high enrolment fees by importing the skills and know-how of French establishments.”*

In the past few years, a small number of French universities of generally rather modest size, have developed numerous offshore projects in these countries (more than 40 projects for one university, for example); French authorities have expressed some concern at this situation even though some of these diplomas are not accredited at national level but as University Diplomas (DU), i.e. accredited only by the university delivering the degree. The

²⁰ The study also quotes the head of a private school “in Asia alone, we estimate the accredited postgraduate education market amenable to on-line delivery as much as 10-12 billion USD per annum”

²¹ Malaysia is also developing this kind of formula. The Government of Malaysia has set up measures to control the award of diplomas so as to better regulate this fast-growing sector.

CPU has expressed its concern regarding the conditions in which certain offshore activities are being carried out. During a meeting of the National Council for international student mobility in 2006, the Vice President for CPU international relations noted how: *“in some cases we have found that some national measures have been bypassed, with opportunistic practices jeopardising the image and professionalism of French higher education overseas as well as the sustainability of partnerships. Such questionable operations, which raise very serious concerns, should be absolutely avoided”*²².

Choosing bad partners in host countries may spark doubts over the quality of the qualification. During the 1990s the French government was alerted by the Greek government about the status of offshore programmes run by French universities in partnership with private Greek institutions. It was indeed revealed that French qualifications were awarded by Greek institutions which were neither recognised nor authorised by the Greek government.

The financial aspect of these offshore operations also jeopardises a French academic tradition which aims to avoid purely “commercial” motivations. Criticising some overseas centres run by ‘*unscrupulous*’ universities simply aiming to boost student numbers and therefore their budgetary allowances, the CPU’s vice-president for international relations declared that the French universities *“should not engage in offshore operations to earn money”*.²³

While the French government is keen to avoid a depreciation of its national qualifications, it has no effective control over the ethics or professionalism of education provided in offshore programmes. It is planning to introduce a “pact” with institutions in the form of a “charter of quality” or a “code of good conduct”. Several draft proposals for such a code are currently being discussed. In some cases, higher education establishments have taken the lead in devising their own rules. The University of Paris 12 Val De Marne has for example just adopted “a charter of quality for international partnerships leading to the award of degrees”²⁴. This provides for a number of concrete conditions:

- i) establishing prior and ongoing assessments, and procedures to improve the quality of partnerships;
- ii) ensuring the high quality of training within these partnerships;
- iii) ensuring the conditions for guaranteeing the proper recognition of degrees awarded;
- iv) providing the resources to allow the flourishing of partnerships;
- v) ensuring adequate funding for partnership programmes.

The French Ministries for Higher Education and Foreign Affairs are now working in close cooperation with their main national partners (Conference of University Presidents and Conference of *Grandes Ecoles*) in drafting a charter of quality for French higher education overseas. This document aims to introduce mechanisms of quality control through verifiable indicators in terms of the academic quality of the curricula; the economic viability of the projects; and how best to match courses to local and regional market needs.

Far from wanting excessive control over these projects, the French administration aims to encourage a greater export of French higher education overseas while respecting the autonomy and initiative of institutions as well as the spirit of academic cooperation which, in its view, should inspire their international activities. At the same time, it is keen to ensure the quality of the “products” exported. The French government also aims to promote the

²² Cited in a report on the meeting of the National Council for the development of international student mobility held in Paris on 13 June 2006

²³ Cited in “La Lettre d’Egide” no. 44. Dossier on off-shore training, October 2006.

²⁴ This charter of quality was adopted by the Administration Council of the University of Paris 12 on 10 November 2006.

emergence of new centres overseas serving broader strategic objectives than those defined by the institutions alone. In one of ten proposals for the internationalisation of universities the CPU calls for *“an end to the fragmentation of offshore programmes. We must instead build coherent regional platforms while conducting shared training and research activities”*²⁵.

1.7 Conclusion

Several broad strategies may be identified in offshore higher education programmes:

- i) a traditional strategy of academic cooperation, cultural influence and aid for development serving the goals of a generous national policy. This strategy, still dominant in international academic partnerships, is strongly encouraged by government agreements and funded by national, bilateral or multilateral financial instruments;
- ii) a recent strategy aiming to control student mobility by encouraging offshore programmes as a means of selecting the best students to complete their studies in France. This strategy, which also corresponds to a strong national policy, may also benefit from state financial incentives.
- iii) a novel “market” strategy in which higher education institutions above all seek to increase student enrolment, gain financial resources and boost their prestige. We find this strategy at work in countries where demand is strong and where students finance most of their training. It is also likely to be a dominant feature in the forthcoming development of distance learning in higher education, an area with a huge market potential.

The latter strategy, in which higher education is viewed increasingly as a business in a highly competitive international environment, seems far more risky to many, and goes against the grain of a large proportion of French higher education stakeholders. This explains the current debate on offshore education and the establishment of guidelines so as to avoid any further drift. This debate will no doubt contribute to the definition of the future policies of both the government and academic institutions in this area.

²⁵ Speech by Yannick Vallée, given 17 March 2006 at the end of the CPU annual conference on the theme of: “Internationalisation and international university policy”.

2 Offshore higher education programmes - the German situation²⁶

2.1 Short introduction to transnational education in Germany

Germany has a national strategy to foster German study programmes abroad. Transnational education is the most recent and prominent trend of Germany's long standing internationalisation endeavours and it is perceived as one element of the broader internationalisation process in higher education. This is found at both the political level and at the level of the higher education institutions. Transnational education is an integral part of major action plans to foster the attractiveness and competitiveness of German higher education and science. The need to internationalise universities is generally accepted by all actors as one of the 'top 5' topics on the reform agenda. However, research clustering and research excellence, as well as institutional profiling and governance or the implementation of the Bologna Process – receive much more public attention (and/or funds).

The introduction of entrepreneurially planned study programmes in foreign countries by German universities began after a national promotion scheme for this kind of activity was set up in 2001. The decisive difference between transnational education activities and prior involvement of German universities in the establishment of study programmes abroad (especially in Eastern Europe) is that, for transnational programmes, tuition fees must be calculated on a financially self-sustaining basis in a mid-term perspective. The national strategy is to support self-funding, but not for-profit university ventures abroad. In the context of German transnational education, for the first time ever, general tuition fees were charged for German undergraduate study programmes.

The underlying political rationale for the establishment of German study programmes abroad is a mix of entrepreneurial, development (capacity and institution building) and foreign cultural policy objectives. In the meantime, the export of fee charging study programmes has become an essential and well-established element of the internationalisation of German higher education: it is becoming increasingly widespread and the number of projects and universities involved has risen rapidly. Both universities and universities of applied sciences (*Fachhochschulen*) offer transnational education. One technical university is responsible for two large projects. Other large projects are managed by consortia of several institutions.

In the German context, the national promotion scheme for transnational education determines the understanding of the term "transnational education". To avoid the commercial connotation of the term 'study export', the 'establishment of German study programmes abroad' was chosen as the official wording when referring to transnational education. It is intended to foster cooperation between higher education and industry and strengthen German industry abroad. It is understood that German universities assume responsibility for the curriculum of transnational programmes and participate in teaching and examinations. The modes of delivery vary from single modules or packages of modules taught abroad, to summer schools abroad and further to entire study programmes and the academic backing of new institutions set up abroad. It is not expected – it is however welcomed – that German transnational programmes lead to German degrees. In most cases, the objective of transnational projects is to award double degrees.

²⁶ This report was produced by Dr. Karola Hahn, International School for Graduate Studies, University of Kaiserslautern & Dr. Ute Lanzendorf, International Centre for Higher Education Research, University of Kassel

Map 1: regional distribution of German transnational education projects funded by DAAD



Transnational education projects do not necessarily constitute a clear break with traditional modes of academic cooperation. Some build on longstanding university cooperation. For example, the Thai mother institution of the Sirindhorn Thai German Graduate School of Engineering (TGGGS) in Bangkok was originally founded as the Thai-German Technical School in 1959.

The largest share of German research on transnational education has either been commissioned by the German Academic Exchange Service (DAAD) or been induced and stimulated by DAAD lobbying (e.g. BLK studies on the global higher education market; see appendix 1 for a full listing of German studies on transnational education). Its focus is on global developments in transnational education and analyses of country-specific markets. The countries selected for market studies either have a traditionally strong link with Germany (politically and economically) or show an unmet quantitative and/or qualitative demand for higher education. In 2005, selected German transnational education projects were evaluated by a team of independent experts who judged their development positively. Recently, the Observatory on Borderless Higher Education commissioned a report on German universities abroad. With respect to non-commissioned research, a dissertation analysing German transnational education projects from the organisation theory point of view stands out (Krauß 2006). In addition, many short case reports on German transnational education projects and briefings on destination countries by local experts have been published in non-academic journals addressing university staff involved in internationalisation strategies.

In the context of the WTO Minister Conference in Doha in 2001, the discussion on GATS and the liberalisation of the education market, treating higher education as a transnationally tradable service, led to a number of studies on the legal frameworks for transnational education. Most were critical of the possible impact of GATS with regard to a commercialisation of higher education.

2.2 Main drivers at national (and regional) level

The main driver for German transnational education is the provision of public funding by the Federal Ministry of Education and Research (BMBF) under the 'German study programmes abroad' scheme managed by the German Academic Exchange Service (DAAD). The realisation of transnational education projects under this scheme benefited from amendments to national higher education framework legislation from the late 1990s onwards. Especially, the introduction of the two-tiered study structure (bachelors and masters degrees) and the development of a national system for programme accreditation made it easier to fit German study programmes into foreign higher education systems. The general need to reform and modernise the curricula in the context of the Bologna process coincides in many universities with the interest of internationalising them and 'going global'. For example, German universities started to develop more and more English-language taught programmes for incoming students.

However, there are still system structures which are not fully compatible with the establishment of German study programmes abroad. German higher education is largely state funded, and universities are restricted in their entrepreneurial activities by law. They do not operate under 'market conditions'. In comparison to the major global players on the education market, German higher education institutions thus do not have the tradition of approaching higher education entrepreneurially. Before 2006, tuition fees were unknown in Germany, except for programmes in further (higher) education. Recently, however, most German *Länder* have introduced tuition fees at a level well below that charged for transnational education programmes (a maximum of € 500 per semester). Moreover, most university professors have the status of civil servants with fixed teaching obligations at

awarding institutions and salaries limited by public pay scales. In these conditions, it is difficult to incite them to continuously assume additional teaching tasks abroad.

Apart from structural obstacles, there are no specific legal provisions that limit the study export activities of German universities. For example, there is no legal obligation for transnational education programmes to be accredited by a German agency. However, quality assurance is a central concern of national policy so that projects funded under the DAAD scheme must aim at obtaining accreditation in Germany. In addition, DAAD guarantees a regular evaluation of the projects funded within its transnational education promotion scheme. It is one of the declared objectives to transfer the general German quality brand 'Made in Germany' to the education sector, too. Currently, some German accreditation agencies are developing specific accreditation guidelines for transnational education programmes, which should lead to customer and context oriented quality standards, transparency, and flexibility. German programmes abroad leading to a German or a joint degree must be accredited by German accreditation agencies. The degrees of transnational education programmes accredited in Germany are recognised as equivalent to German degrees.

The promotion of transnational education can be regarded as one of the core elements of a German 'globalisation mainstreaming' strategy in higher education. It is embedded in a broad campaign for the international marketing of German higher education and science which aims to defend or improve the country's position in the world as the third with respect to the number of incoming international students. Since 1996, there has been political concern about the international attractiveness and competitiveness of Germany as a place to study and carry out research. The objective of enhancing the performance and international visibility of the German higher education and science sector became a main driver of internationalisation policies.

The major national actor in the internationalisation and globalisation arena is the DAAD which can be regarded as the central body that creates a public and political awareness with regard to the emerging market for education and its rising relevance and opportunities for German universities. It was not only successful in agenda setting and lobbying for transnational education: it also had a strong influence on the design of the related funding schemes. Currently, in addition to funding transnational education, DAAD provides a broad range of services to the transnational activities of German higher education institutions (information on international higher education markets and systems, counselling with respect to project management, and quality assurance services).

In 2000, the second Action Scheme of the DAAD introduced a strategic focus on the international competitiveness of Germany. In this context, German 'offshore activities' were regarded as attractive in order to:

- i) Strengthen the international significance of German degrees abroad
- ii) Possibly generate additional income for the investing universities
- iii) Familiarise students from emerging economies with Germany and the German education system.

Cross-border education continues to be of central importance in the Third DAAD Action Scheme to internationalise German higher education, 'The International University of the Future' (2004). At the beginning of 2001, a 'Consortium for International Marketing of German Higher Education - GATE Germany', was affiliated to DAAD. Its main task was to elaborate a campaign for the entrepreneurial and systematic international marketing of German higher education and initiate a major action scheme.

When the national government set up the 'Initiative for the Future of Higher Education' (*Zukunftsinitiative Hochschule*) in 2001, the DAAD lobbied for special funding for the export of German study programmes. The budget for national higher education policies was substantially increased after the public budget received additional income through the selling of telecommunication licences. Because of the successful lobbying of DAAD, a three-year pilot programme to foster the export of German study programmes became one of the strands of the initiative. The aim was to give higher education institutions the opportunity of acquiring experience in the global higher education market (professionalisation in entrepreneurial activities).

Because of the successful development of the projects that were selected in the pilot phase, the programme was then continued on a permanent basis. As from late 2003, new projects were selected for funding every year. Since 2001, DAAD has supported the start-up phase of German transnational education projects with an average funding of € 3.6 million per annum. Since 2003, the policy of seed funding has been based on a four-year funding of the start-up phase with the option of a two-year extension. In 2007, a decision was taken to fund German transnational education projects of high national relevance for up to ten years. However, the funding of structural development in these projects would be reduced after a certain period in favour of funding grants, quality assurance processes, partnership projects, and cooperation in research.

The criteria for the selection of projects to be funded under the DAAD scheme reflect the national strategy on transnational education which supports the export of study programmes outside the European Union with a seed funding. The programmes must charge tuition fees at a level which enables them to become self-sustaining in the mid-term. Collaborative arrangements with foreign partner universities are welcome, but projects should be clearly recognisable as falling under the responsibility of one or several German higher education institutions. The degrees awarded should be recognised in Germany or at the international level. The subjects of study programmes set up abroad should be selected from among those in which Germany enjoys a high international reputation. All programmes should have a close relationship to Germany (either via the use of German lecturers, classes in German as a foreign language, or study periods or internships in Germany). The annual tenders set priorities with respect to destination countries and the project selection aims at covering all the different categories of German higher education institutions. German campuses abroad are also implicitly supposed to involve German representatives in the higher management and leadership. In addition, the following requirements are necessary for projects to receive support:

- Continuous quality assurance by the German side (German accreditation and evaluation)
- Promoting public-private partnership arrangements, mainly with German industries abroad (research cooperation, grants, internships, technology transfer)
- Contextualisation to the host country (curriculum, procedures, structure, legal entity)
- Coherence with the internationalisation strategy of the German awarding institution/institutions.

The national level incentives to foster German transnational education were justified as a central strategic element of the campaign for the international marketing of higher education – an initiative which resulted from the concerted action and sector crossing consensus of many stakeholders of the higher education and science sectors. The budget made available for the national transnational education promotion scheme is regarded as sustainable investment to guarantee the attractiveness and competitiveness of Germany. It is also argued, especially by university representatives, that German cross-border operations are

essential for the German higher education sector to provide qualified graduates for postgraduate and doctoral studies in Germany, in particular in fields that suffer from a lack of young researchers (i.e. engineering and science).

Recently, some German *Länder* have started to play a role in transnational education (Baden-Württemberg, Hessen and North Rhine Westphalia). The *Länder* mainly offer political and symbolic support and co-fund projects. On the hidden agenda, we can observe a rising competition between the *Länder* with regard to transnational education. As some see such operations as a matter of prestige, they try to stimulate transnational education activities by offering seed funding. To mention three examples, the Hessen Ministry of Science and Arts initiated a project to establish a German-Vietnamese University. The Rhineland Palatinate Ministry of Economics would like to see its universities become active in transnational education in places that are relevant for its regional economy (particularly India). There is an ongoing discussion on the introduction of seed funding for study export projects. North Rhine Westphalia already supports the transnational education projects of its universities (i.e. TGGG – Thai-German Graduate School in Bangkok).

There is a slight reticence about the German involvement in transnational education with regard to both national activities in general and institutional activities. With regard to the national level, we find a general questioning of the governmental or public engagement in cross-border education. There are criticisms that public money is invested in (quasi) private entrepreneurial projects, while the German higher education and science system suffers from severe under-funding. A state engagement – so say the critiques – is not justified, as it is considered as an investment in foreign higher education systems.

Sometimes it is questioned whether transnational education is not a task for qualified agencies (i.e. DAAD) rather than for individual universities. The model of consortia that coordinate large transnational education projects seems to be a widely accepted alternative to ventures of individual universities. Such arrangements are supposed to reduce risks and facilitate long-term teaching obligations, but they also require a great effort of coordination.

Another argument concerns the institutionalisation of transnational education projects. Some German projects – so say critiques – do not guarantee sustainability, as some are considered prestige projects driven by the personal interests of individual academics (or small groups of academics) and the degree of institutionalisation is low. It is also frequently reported that the strong engagement of a professor or a group of professors in transnational education gives rise to critique within the institution or faculty as this has an impact on the faculties (additional teaching obligations and work load) and the distribution of funds. The 'shares of the cake' become smaller when institutional funds are invested in large transnational education projects, as the first universities start to invest their own funds (e.g. RWTH Aachen).

2.3 Overview of current offer

The involvement of German universities in transnational education concentrates on projects that are receiving or have received start-up funding from the DAAD. The major German transnational education projects outside DAAD funding are the Chinese-German University of Applied Sciences in Shanghai and the Swiss-German University in Indonesia.²⁷

²⁷ The Chinese-German University of Applied Sciences was set up by a consortium of German Universities of Applied Sciences as a faculty of Tongji University in Shanghai. It has been operational since 2004 and currently offers three undergraduate programmes in the field of engineering. The Swiss-German University in Indonesia was founded on the initiative of a former rector of German and Swiss institutions of higher education and took its first students in 2000. It currently offers 14 bachelors and 3 masters programmes and has an enrolment of about 500 students.

In 2007, the national transnational education support scheme provided funding to 34 projects. In addition, four formerly supported projects continued their activities without DAAD funding. As has been mentioned before, projects are selected to equally represent the different types of higher education institutions in Germany and to cover the different regions of the world. The scope of individual projects ranges from the development of single study programmes to the establishment of German faculties and universities abroad. One of the projects is a branch of the German distance learning university, Fernuniversität Hagen. In cooperation with local partners, it offers some specifically developed programmes and the entire spectrum of regular programmes of the German Distance University. New large projects are expected to be included in the support scheme soon.

The projects that are currently supported by the DAAD scheme include 85 study programmes, just over half of which (44) are postgraduate programmes (at masters level)²⁸. Most students, however, are enrolled in bachelors programmes (62%). Table 1 provides an overview of the distribution of programmes by country. It shows that the focus of German transnational education is on China and the Arab world (especially Jordan and Egypt), with the largest number of German study programmes being offered in China and Jordan (16 programmes in each country). In China, several small and medium-sized projects have been implemented, while the leading role of Jordan is explained by the establishment of the German-Jordanian University of Applied Sciences there. With 14 German programmes, Egypt is the third most important destination country. All the 14 programmes are offered at the German University in Cairo. Thailand follows with the fourth highest number of German transnational education programmes (8). These are offered at a branch faculty of a German university. Unlike transnational education programmes provided by universities from English-speaking countries, some German programmes currently award a foreign degree only. It is planned, however, that they will award German degrees in addition to the local degrees (i.e. lead to a double degree) in the mid-term.

Table 1: German study programmes abroad, by host country (2007)

Country	BA/BS c	MA/MSc	Country	BA/BSc	MA/MSc	Other
Egypt	6	7	Latvia		1	1
Brazil		1	Russian Fed.		2	2
Chile		2	Singapore		2	
China	8	8	South Africa		1	
India		1	Syria	5		
Iran	1		Thailand		8	
Japan		1	Turkey		2	
Jordan	14	2	Ukraine		3	
Kazakhstan	3	2	Vietnam		1	
Korea	1		Total	38	44	3

Source: DAAD

²⁸ See Appendix 3 for a full list of DAAD-supported German study programmes abroad.

In total, more than 7 900 students were enrolled in German study programmes abroad in 2006/07 (excluding students in German programmes in Eastern Europe), and for 2008/09 their number is expected to double. The current number of students in German transnational education programmes corresponds to about 4 percent of inwards mobile students in Germany. By 2006, 331 students had graduated from one of the German study programmes abroad. 61 percent were awarded a masters degree. Table 2 provides an overview of the regional distribution of German transnational education graduates.

**Table 2: Graduates of German study programmes abroad, by country of study
(up to Dec 2006)**

Country	BA/BSc	MA/MSc	Total
Egypt		57	57
Chile		10	10
China	129	30	159
Russian Fed.		14	14
Singapore		60	60
South Africa		14	14
Thailand		10	10
Vietnam		7	7
Total	129	202	331

Source: DAAD

Amongst the subjects offered, the engineering sciences dominate (over 40%), followed by economic fields (about 30%). The remaining 30 percent represent a broad variety of subjects, amongst which arts and music, and the natural sciences are the strongest. Most projects started in 2001 (20). In the following selection rounds, only small numbers of additional projects were approved (5 in 2007, 3 in 2006, 7 in 2005, and 8 in 2004). The tuition fees for German cross-border programmes are usually significantly higher than those at the German universities. Maximum fees vary from more than € 3 000 per semester (bachelors programmes) to more than € 10 000 per semester (masters programmes).

Most institutions which organise DAAD supported transnational education projects are universities and about one third are universities of applied sciences. Overall, about 20 percent of state universities and about 12 percent of state universities of applied sciences are engaged in the development of degree leading study programmes abroad (not considering the large number of German institutions which temporarily host students enrolled in German programmes abroad during study periods in Germany). Five of the universities that provide transnational education programmes are technical universities, including the second largest national technical university and one of the three universities which were selected for excellent institutional development plans by the nationwide 'excellence initiative' in Germany in 2006. One project is implemented by a German university in cooperation with a regional university network in Germany. Two projects are implemented by a music university and a fine arts university respectively. Amongst the universities of applied sciences that provide transnational education there is one private institution. The largest project implemented by universities of applied sciences – the German-Jordanian University – is organised in cooperation with a large number of institutions (more than 70 consortia partners).

The academic profile of German transnational education is characterised by

- i) A strong participation of German lecturers
- ii) On average, some 40 percent of courses are taught by German lecturers. Many of the remainder are delivered by local lecturers who have study abroad experience in Germany.
- iii) Research-based teaching
- iv) According to the Humboldtian tradition, all German lecturers are research-active. This guarantees teaching that is based on state-of-the-art science which integrates most recent research results. In many cases, the lecturers complement their teaching abroad by close research cooperation with local partners.
- v) Close cooperation with (German) business and industry in the host countries
- vi) In most cases, internships – possibly in Germany – are integral parts of German transnational education programmes. In addition, companies contribute by offering scholarships and in some cases endowed chairs. In a number of projects, industry representatives participate in curriculum development and sometimes also in teaching.
- vii) A strong presence of double degrees and the existence of various twinning arrangements.
- viii) About one third of German programmes abroad require students to complete part of their studies in Germany. In nearly all other programmes study stays in Germany are possible on an optional basis.
- ix) Most programmes are taught in English. In some, all or a relevant part of the courses are provided in German. In any case, students are normally offered the opportunity to participate in optional German language courses.
- x) Programmes taught abroad by German universities have sometimes been specifically adapted or even developed to fit into the educational and industrial context of the host countries.

With respect to organisational aspects of delivery, German transnational education presents the following overall characteristics:

- i) German universities do not franchise existing study programmes to foreign providers nor do they establish branch campuses abroad. Rather, they organise their transnational education activities in cooperation with foreign academic partners or provide academic support for the development of locally funded private universities in other countries.
- ii) Foreign partners of German universities are public higher education institutions or well-established private universities.
- iii) German universities do not charge fees for letting programmes to foreign universities. The income raised from tuition fees contributes to the financial autonomy of the programmes: German mother universities do not want to subsidise foreign provision but do not expect to generate additional income from it either. In the start-up phase, their cooperation costs are largely covered by the DAAD scheme. The revenue generated from tuition fees is primarily used to cover the running costs of the

programmes. In a medium-term perspective, German transnational education projects are supposed to operate on a cost-covering basis.

- iv) Only in the case of a small number of financially independent branch faculties may German universities benefit from the fees charged for their study programmes abroad.
- v) Many German programmes have a development policy background.
- vi) Another feature of German transnational education is its focus on 'market niches'. They complement rather than compete with the existing academic programmes in the host country.

Most projects which aim at the offer of an individual study programme abroad only concern masters programmes. Some of them include online elements, and most of them lead to double degrees. Curricula are drawn up jointly and teaching is carried out by staff from both institutions. Only very few individual German programmes are organised relatively independently: foreign partners teach a German programme at bachelors level and graduates may continue the course at masters level in Germany (twinning).

There are three modes of delivery which involve the establishment of more than one German programme abroad and are therefore particularly visible:

- i) The academic backing of the development of new universities abroad (Type A): The new universities abroad may be politically top-down initiated, largely state funded and have permanent German patron universities (Type A1). Another option is that a German-backed institution is initiated by private founders from abroad, mainly based on private investment. The German patron universities gradually withdraw (Type A2).
- ii) German faculties or graduate schools abroad (Type B): These are collaborative ventures of German and foreign higher education institutions ('bottom-up initiation') which are hosted by the foreign partner institutions.
- iii) Independent German higher education providers abroad (Type C): This is an entrepreneurial stand-alone, bottom-up initiated model of German ventures abroad. It is run more or less independently from the German mother university and the partnering universities in the host country.

2.3.1 Type A - Academic backing for the development of new universities abroad

The most visible German mode of delivery is the academic support to the development of new universities abroad.²⁹ Since 2002, German universities have concluded agreements on the establishment of German-backed universities with six countries. In all cases, the initiative for the academic affiliation of newly developed foreign universities to one or several German universities came from the host country. Under these agreements, German universities assist newly set up institutions abroad in building up study programmes which are modelled on the German higher education system. The new 'German' universities are legally independent private or public institutions, operating as part of the higher education systems of the countries where they are located, and granting their own (local) degrees. They are expected not only to contribute to the expansion of study places, but also to support the development of local higher education systems by bringing in educational and organisational

²⁹ Apart from German universities, British, US American and universities from other countries also engage in this type of foreign provision. For them, however, the branch campus mode of delivery is more common when building up new institutions abroad (Lanzendorf 2007).

expertise and innovation. Their naming reflects their bi-national character: usually, the local nationality is added to the word 'German' (e.g. German-Jordanian or German-Syrian University³⁰). At present, nearly half of the German degree programmes offered abroad belongs to one of the four German-backed universities which are already in operation. The largest is the German University in Cairo which hosts almost 5 000 students (Type A2).

Different from a branch campus, a foreign-backed university is not owned by a German academic institution but by its – normally local – founders. The founders establish formal links with one or several German universities so as to benefit from their academic and organisational experience ('academic affiliation'). They provide the basic financial endowment for the set up of the university but delegate the responsibility for its academic development to one or several foreign patron universities. German patron universities do not benefit from the tuition fees raised by the institutions that are supported by them but may be remunerated for their services by the foreign university founders. In most cases, however, their cooperation costs are covered by the DAAD scheme. The German patron universities typically develop the curricula, bring technical support for the development of laboratories and teaching infrastructure, assist in the selection of local lecturers, engage in the continuing training of local staff and support the development of research activities. They also send their own teaching staff to the foreign institution. They engage in fundraising and support the accreditation of the foreign institution and its programmes in Germany. The patron university may withdraw once the new university is fully operational.

The university founders select individual German patron universities often because of the specific teaching models applied by them – their teaching may, for example, be closely related to practical application. In addition, prior academic contacts through graduate student or staff mobility, or research cooperation have proven decisive for the coming into being of international partnerships in university development. Patron universities and German organisations that provide financial support participate in the strategic and operational governance of the German-backed universities. The ultimate responsibility for financial and operational decision-making at the foreign university, however, normally rests with the founders. Once study programmes have been set up, German patron institutions cooperate with the organisations of the German science management sector involved in the funding of the new universities in advising on quality assurance measures. Overall, the involvement of patron universities in the organisation of teaching makes quality assurance relatively easy. Nevertheless, quality assurance could become a problem if the expectations of local university owners about the standards to be achieved differ from those of the patron universities.

Four German-backed universities have already been operational for two or more years (in Egypt, Jordan, Kazakhstan and Syria). The German university in Oman (OGTech) accepted its first students in autumn 2007. The German Jordanian University is a public university whereas the other German universities abroad are private institutions. A sixth project is the initiative of the German *Land* Hessen to establish the German Vietnamese University (GVU). The GVU is expected to enrol its first students in 2008. One further agreement envisaging the largest German-backed institution - in Pakistan - is currently under consultation. The German-Turkish University, a project in its first stage of planning, is the eighth example of the 'Type A' study export, the German-backed institution abroad.

³⁰ By Syrian law, the university formerly known as Wadi German-Syrian University has recently had to remove the term 'German' from its name. Outside the DAAD scheme, the Swiss-German University in Indonesia represents a German-backed university with multilateral character.

2.3.2 Type B - German faculties or graduate schools abroad

A second mode of delivery which is typical for German transnational education is the development of German faculties or Graduate Schools operating in the premises of partner universities abroad (some of them organised as limited companies). It represents a collaborative bottom-up approach of German and foreign universities. There are two major projects of this type: the Sirindhorn Thai-German Graduate School of Engineering (TGGS) in Bangkok and the Chinese-German Technical Faculty (CDTF) in Qingdao. They are owned and operated in cooperation with German mother universities and host institutions abroad. The development of curricula, the teaching, the organisation of exams, and quality assurance measures are always under the joint responsibility of the German and the foreign partners.

2.3.3 Type C - Independent German higher education providers abroad

The German Institute of Science and Technology (GIST) in Singapore has become fairly independent from the original patron university, the Technical University of Munich (TUM), and increasingly also from the former partnering universities, the National University of Singapore (NUS) and the Nanyang Technical University (NTU) in Singapore. GIST is a private limited company (GmbH) and can be described as a stand-alone, entrepreneurial provider or agent on a commercial basis. It is buying programmes leading to a TUM degree for delivery in Singapore. The courses are then taught by lecturers of NUS and TUM.

Although there are an increasing number of e-learning components in German transnational education programmes, they are understood as complementary or preparatory elements. E-modules are explicitly eligible for funding under the DAAD scheme, but entire e-learning programmes are not. Like in the national market, e-learning is considered as complementary to on-campus studies and a means for academic further education in a national and increasingly European market.

2.4 Approaches and attitudes

In principle, German universities take a cautious approach to transnational education. Given their status as state-funded corporations under public law and the fact that tuition fees are only now being introduced, entrepreneurial activities and foreign investments are rather unfamiliar territory to them. Before the idea of entrepreneurially organised study programmes was promoted by the DAAD, the selling of academic services to institutions and students abroad would not have been acceptable in the German academic community.

From the point of view of German higher education institutions, the setting up of study programmes abroad is only of interest if financial support is available, either through the DAAD scheme or through foreign partners who assume financial responsibility for projects in their countries. If financial risks are limited, transnational education activities become attractive to German higher education institutions because they may enhance the national and international reputation of an institution and give a new dimension to international academic cooperation. In preparation for this study, different types of universities which organise relatively large transnational education projects were approached about their perspective on transnational education. The replies stressed the relevance of transnational education for intensifying exchange and cooperation with strategically important regions in the world and broadening the target population of own study programmes. At the awarding institution, transnational education projects may be complemented by programmes which are specifically geared towards students from the partner country. The scope of activities in large transnational education projects may exceed that of an institution's activities in the European context.

German universities do not regard transnational education as a source of additional income and only rarely – even amongst large universities – see themselves as global actors in higher education. For smaller universities with decreasing national enrolment it is an incentive to engage in transnational education because this could increase their potential to attract gifted graduate students from abroad. Changes in the state-university relation promoting inter-institutional competition (e.g. through the introduction of performance-based state funding) could reinforce this line of argument. Overall, however, strengthening the global presence of German higher education is a political rather than an institutional objective. Foreign and cultural, but also economic policy, have a strong interest in German universities engaging in transnational education offer.

So far, the dominant pattern with respect to the initiation of German study programmes abroad is that individual academics draw on the DAAD scheme to institutionalise contacts with foreign partners and provide them with a mid-term financial basis and perspective. This type of ‘bottom-up’ initiative usually leads to the establishment of individual German study programmes or of German faculties abroad. Academics take the involvement in transnational education as a positive personal challenge and a ‘unique selling point’ in their personal portfolio. They see themselves as pioneers or trend-setters. Entrepreneurially designed projects offer interested academics the opportunity to realise their personal potential more fully than through their regular teaching and research. University leadership accepts and supports their plans if financial or reputation-related risks for the institution are considered tolerable. The initiation of transnational education projects by university leadership exists, but is a rather unusual form of ‘bottom-up’ initiation. When university leadership has a strong interest in transnational education, the underlying motivation is to market their university, to broaden their student population, and to possibly attract highly qualified graduate students.

The ‘top-down’ mode of German transnational education activities is characterised by German university leadership accepting invitations for the export of study programmes by academics or politicians from abroad (occasionally supported by German politics and industry). This has been fairly relevant since it applies to all German universities abroad: foreign personalities (politicians, business people or academics) approached selected German universities about German modelled cross-border provision. They asked for academic support to build up German higher education institutions in their countries. German cultural and foreign policy strongly supports these projects because of their high potential for deepening existing bilateral relations: German universities abroad are regarded as projects of national interest and relevance. For the German awarding institutions, the academic backing of foreign universities involves no financial commitment and therefore no financial risk. Also, the risk of losing international academic reputation is limited for awarding universities because of their low visibility within the project context.

‘Institutional choices’ with respect to destination countries of cross-border provision are to a certain degree coincidental and individual rather than institutional. As has been said before, decisions about destination countries of German transnational education basically build on existing contacts and foreign initiative, i.e. they are based on prior academic cooperation or demands from abroad. Moreover, the implementation of a project largely depends on the possibility to receive financial support for it. In principle, German universities tend to prefer establishing their programmes in countries with a highly qualified demand for study places, where fruitful academic exchange can be expected, and where German higher education enjoys a high reputation.

2.5 Future development of the German transnational education sector: expected demand, opportunities and evolution

With regard to the overall development of German transnational education, it is expected that the number of projects will not expand significantly, but the weight of individual new projects will increase. In view of this, the DAAD has introduced the possibility of a ten-year period of start-up funding for large projects of national relevance in the national transnational education support scheme. It is envisaged to establish the brand 'German university' as a quality label. In addition to the support by the federal government, transnational education could in future be increasingly promoted by regional governments (*Länder*). It is likely that these will foster concerted action amongst their higher education and science institutions, and local enterprises operating in the target regions. German transnational education could take on a stronger technology transfer and research cooperation dimension – eventually also in inter-institutional collaboration between higher education institutions and research institutes. A further increase in the engagement of German industry may contribute to boosting the development of transnational education. Another upcoming trend is the clustering of German support-structures for transnational education abroad ('German Houses'). The coordination posts funded by DAAD to support the large German transnational education projects in the Middle East and Northern Africa are a first example of this trend.

However, a current policy focus on German (post)graduate education, doctoral training and research, and the striving for research excellence to enhance global competitiveness may slow down the expansion of transnational education. The nationwide 'Excellence Initiative' (*Exzellenz-Initiative*) distributes € 1.9 billion among a limited number of lighthouse projects. Thus, the development of proposals for becoming an 'elite university' dominates the agenda in many German universities today and stands for different priority settings, at least in the research universities. It seems that academics at the department level pay less attention to transnational education and internationalisation in this new context, in particular when no direct links between transnational education and scientific excellence can be established. This trend in research-oriented universities may open the way to a dominating role of universities of applied sciences in cross-border provision.

The following challenges may in coming years lead to a slight slowing down of the initial pace of expansion of German transnational education, even if some of the mentioned issues are not new phenomena:

- i) **Diverging goals and interests:** The striving for academic excellence and the endeavours of becoming an elite university are relatively new developments in German higher education. The focus of the research universities on intra-German competition and global competitiveness fuels diverging intra-university interests and goals. On the one hand there is the tension between teaching-oriented academics and research-oriented academics; on the other, the unequal distribution of benefits and added value of transnational education can lead to various frictions at the intra-department and inter-department level or between the departments and the central management.
- ii) **Unfavourable frameworks and contexts:** The legal national, regional and institutional frameworks can be restricting. In addition, there is a chronic under-financing of higher education and an overload of the reform agenda (implementing Bologna, introducing new governance models and funding mechanisms).
- iii) **Psychological components:** The high participation of German lecturers in German translational education projects implies a permanent obligation to teach not only at home but also abroad. The sustainability of existing projects may be threatened through the gradual fatigue of the 'flying faculty'. Also, many disillusion because of

unrealistic expectations and under-estimation of the complexity of transnational education projects slow down the engagement of individuals. Last but not least, the 'adventure' and 'pioneer' dimension of transnational education engagement may weaken over the years and other projects or 'playgrounds' could become more attractive.

The issue which is expected to have the strongest impact on the future landscape of German transnational education is the ongoing high demand for the academic backing of newly set up universities abroad. Although this mode of delivery had originally not been envisaged by decision-makers at the time when the national transnational education support scheme was set up, the German backing of foreign institutions took on a dominant role in transnational provision. As has been mentioned before, new agreements on the establishment of German-backed universities are currently being negotiated.

Transnational education will only gain substantial importance for the internationalisation of German higher education if several large, top-down initiated projects turn out to be financially sustainable and result in win-win arrangements for the partners. This would contribute to the international promotion of German higher education and ultimately lead to a benefit for the sector as a whole. In view of the scale and continuity of academic exchange which can be expected to be realised from (students) and to (staff) German-backed higher education institutions abroad, these projects can become relevant pillars of the international dimension of German universities. German universities can not only expect to attract high level graduate students from the foreign institutions supported by them. They can also expect stimuli for the ongoing development, modernisation and internationalisation of their traditional programmes in the context of the introduction of the two-tiered study structure. In some cases, positive impacts of transnational education on programme development at the German mother universities have already been reported. In addition, the German-backed universities may become crystallisation points for the promotion of German higher education abroad. If a relevant number develop successfully in terms of academic quality, this may lead to transnational education becoming an integral substructure of German higher education.

The DAAD promotes the development of all transnational education programmes – be they offered at German-backed institutions or not – into double degree programmes and their accreditation not only by foreign but also by German accreditation agencies. In order to convince German universities to grant their degrees to graduates in transnational education programmes, the issue of continuous quality assurance must be solved. One central aspect in this context is the decision about who is admitted to German transnational education programmes (admission standards), and another issue is the demand to be put on students in examinations (examination standards). If partners jointly solve these challenges, this could lead to a new dimension of internationalisation, i.e. transnational education in a narrow sense. German transnational education can be regarded as offering a particular opportunity to develop sound intercultural study programmes. The strong cooperative element present in German transnational education makes it particularly apt to development beyond the implementation of national provision in a foreign country. This could lead to transnational education programmes clearly distinguishing themselves from the 'pure' German higher education sector, to which, however, they will remain closely connected.

There are signs in Germany that the federal funding for transnational education will again be increased. The growing interest of the *Länder* in transnational education could lead to additional funding becoming available at that level. Some *Länder* have identified the prestige brought about by large foreign university projects and entered into competition with regard to transnational education activities. Moreover, they are under pressure to make use of the new competences they acquired through the recent reform of federalism (which largely re-established the full responsibility of the *Länder* for higher education).

With respect to the number of countries hosting German transnational education, the number of participating German institutions and the number of programmes offered abroad, continuous growth can be expected. Some countries which are not yet amongst the receiving countries have approached Germany with requests for the academic backing of new institutions. This will not only trigger expansion with respect to host countries, but also with respect to participation of German institutions and the number of programmes offered. Indeed, also the annual calls for tender for the national transnational education support scheme not only aim to increase the number of programmes offered abroad but also to broaden the spectrum of target countries and the number of participating German institutions. The number of students can be expected to increase rapidly in the course of the professionalisation of the existing and the opening of new programmes.

It can be stated that in spite of unfavourable starting conditions (language, absence of tuition fees), the development of German transnational education has progressed successfully during the first six years of its existence. A wealth of organisational and intercultural challenges had to be dealt with, but the number of projects which failed to be implemented successfully has been negligible. German higher education could consolidate its presence in countries with major higher education markets and universities intensify their cooperation with foreign trade-oriented companies. The general impression is that the public support provided has been well invested and the objectives of the national transnational education support scheme have been met. The annual DAAD report "Exporting Education in Practice" concludes that "the first results are more than encouraging"³¹. Through constant intercultural learning, personal commitment of the academics involved and flexible adaptation of project plans to the demands of foreign environments, individual projects could build their bases and the project management capacities of mother universities have improved.

Yet, it is still too early to tell whether projects have definitively succeeded. Only when a certain level of routine in quality operation is achieved, will it become obvious whether individual projects are able to sustain themselves financially. For German-backed universities abroad, a major issue will be how split responsibilities for academic and non-academic matters can be coordinated.

No general policy changes with regard to transnational education have taken place in recent years or are to be expected in the near future. Policy has just adapted to external demands, especially to the high demand for German-backed provision. However, it is likely that some *Länder* will try to play a more active role in transnational education. They may follow a sector-crossing approach by jointly operating with the Ministries of Education and the Ministries of Economics. Even though the rationale of political party interests slowly appears on the hidden agenda of German transnational education, it will remain a topic of national interest and relevance, strongly driven by rationales of the academic sector and its partners in politics and industry.

German policy-makers closely observe the provision of transnational education by universities from other countries. The activities of the leading countries in the field raised German awareness of the global education market, and the specific German strategy for market entry was partly built on foreign studies and prognoses on future developments (many of them non-European). There are, however, practically no overlaps with other national strategies, i.e. German transnational education policy has not been modelled on the basis of the practice of other countries. The competitors to German transnational education are English-speaking countries. There is only limited knowledge in Germany on (upcoming) transnational education strategies of European countries other than the UK. One can, however, imagine that in future German universities could engage in joint European ventures, particularly in cooperation with Austrian or Swiss universities. But also joint initiatives with French or Dutch universities could be feasible.

³¹ DAAD 2006: *Exporting Education in Practice*, DAAD, Bonn: 2006

There is consensus that the opportunities and chances of transnational education greatly outweigh the risks.

- i) **Internationalisation and global marketing of German higher education:** Transnational education is of central interest for national internationalisation policies in higher education. Transnational education is assumed to have a pioneering and 'lighthouse'-function with a strong thrust in marketing German higher education globally as a high quality product ('Higher education made in Germany'). The increasing global visibility contributes to the growing perception of and interest in German higher education.
- ii) **Growing interest in studying in Germany and in German as a foreign language:** Transnational education has already led to a growing interest in German as a foreign language and to an increasing demand for study periods and internships in Germany. The prospect of easily recruiting high level students who are already familiar with the German language and academic culture is one of the central drivers of German higher education institutions, in particular at postgraduate level. The pool of alumni of 'German' (modelled) programmes will grow significantly and thus, the network of 'ambassadors' of Germany will expand. This should have positive impacts in many aspects.
- iii) **Reform effect:** It is also obvious that transnational education has a reform impact on the providing universities. It strengthens the international dimension at home, especially the internationalisation of curricula (reform in content, structure and teaching methods), increases the international competences of lecturers and administrators, as well as the international experience of German students.
- iv) **Strengthening strategic planning:** Implementing transnational education requires a number of strategic decisions, long-term commitments and investments. This strengthens the intra-institutional strategic planning which may contribute to the competitiveness of the university – presuming the right decision was taken. Transnational education often implies a pooling of resources, a decision on the institutional profile building, as well as a regional focus and clustering of institutional internationalisation activities. This may quickly lead to more positive results than institutions which do not operate in the global market.
- v) **Benefits for German industry:** Last but not least, transnational education opens interesting opportunities and benefits for German industry in the target regions. Industry can employ high potential graduates who are familiar with the German language, with German and local experiences and with the German culture, values and virtues.

3 Transnational education in the Netherlands³²

3.1 Introduction to transnational education in the Netherlands

Transnational higher education and, specifically, educational activities provided by Dutch higher education institutes abroad is still a relatively new area for the higher education sector in the Netherlands. These operations do not play a large role in the Dutch education system and there is no nationally collected comprehensive data on institutions and students involved in educational activities organised by Dutch providers in a foreign country.

The general focus of the internationalisation process of the Dutch higher education system has so far been on attracting international students to the Netherlands and on creating partnerships with institutions abroad rather than providing cross-border education. Therefore, there is so far little strategic planning or regulation at the national level associated with this form of higher education provision. Despite these facts, transnational education is developing and the institutions involved are creatively exploring new working models and opportunities for their activities abroad. Also, there seems to be a consensus on the need for more monitoring, strategic planning, and development of legislative tools for this area.

In the Dutch context, “offshore education” is the most dominant term when people refer to transnational educational activities that are offered abroad by a domestic provider³³. However, the terms “cross-border” and “exported education” are also used. The information in this report is mainly based on a recent study by Vossensteyn et al., 2007, which employs the term “offshore education”. Their definition of the term is as follows: “Offshore education in this study is defined as the (partial) provision of education on location abroad (for fee-paying students). Offshore higher education can range from offering or developing joint courses to the establishment of full branch campuses.”³⁴ For the purposes of this study, only degree-leading programmes of Dutch providers outside Europe were included. In most cases the definition of “offshore” in the Vossensteyn et al. report corresponded to these criteria.

3.1.1 Transnational education and Dutch internationalisation policy

Since the mid-1990s, the Dutch Ministry of Education, Culture and Science has explicitly been encouraging higher education institutions in the Netherlands to actively recruit non-European students, and has permitted them to charge these students full fees³⁵. Although there is considerable variation, the fees for non-EU citizens can be up to five times the fees charged to domestic students³⁶ and range from € 2 000 for some bachelors programmes to € 20 000 for masters programmes. The Netherlands has also responded rapidly to the developments on the European level: in conformity with the Bologna process, a new

³² This report was produced by Maria Duterte and Maria Kelo from the Academic Cooperation Association with support and approval from Vossensteyn (see below).

³³ Vossensteyn et al., H., Deen, J., Adrichem van, A., Dekker, P., Mesker, P., Verkroost, M-J. and Weert de, E., *Offshore education: Offshore education in the wider context of internationalisation and ICT: experiences and examples from Dutch higher education*, Digitale Universiteit / Stichting SURF, Utrecht: 2007.

³⁴ *Ibid*, p. 90

³⁵ *Ibid*.

³⁶ OECD, *Internationalisation and trade in Higher Education. Opportunities and Challenges*, OECD, Paris: 2004.

bachelor-master degree structure has been introduced, and institutions are using the European Credit Transfer and Accumulation System for their programmes.³⁷

The Dutch higher education institutions have multiplied the number of courses offered in English in response to the demands of international student cohort and the requirements of a global job market. According to the Netherlands Organisation for International Cooperation in Higher Education (NUFFIC) the Netherlands was the first non-English-speaking country to offer courses taught in English and has today the highest concentration of English language programmes of any country where English is not the native language. The number of these international study programmes is currently around 1,150, but the figure is constantly increasing³⁸. The Netherlands has also adopted a “code of conduct” for international education, which implies that institutions recruiting foreign students are required to offer advice to them in English. Adequate information should be available on e.g. housing, fees and the academic programmes³⁹.

All these concrete actions on internationalisation of higher education have somewhat of a facilitating impact on transnational education. Tuition fees, courses in English, active promotion of Dutch education abroad and providing student information in English are important components in building up the basic conditions for successful cross-border provision.

Studies on Dutch transnational education – some main findings

Transnational education is currently not a widely debated issue in the Netherlands. There have been some attempts to study and chart the various educational operations abroad⁴⁰, but these are not part of any central monitoring and evaluation efforts. However, some development in this direction might be expected as transnational education gains more international interest. The following summary reflects the main findings of the few existing studies on this subject.

Adams found that the existing export of educational activities has been largely focused on regions with cultural, historic or linguistic ties to the Netherlands, such as South Africa and the Antilles⁴¹. The second cycle (masters level) is the most significant area of provision and this is where the main growth is expected to be in the future, though some growth is expected also in the first cycle (bachelors level) programmes. The most significant factor motivating the export of education is considered to be the unmet student demand in certain countries. Some of the problems with exported education were found to be associated with consumer protection, programme relevance, programme recognition and the sustainability of the provision.

³⁷ Westerheijden, Don F., Huisman, J., De Boer, H., *Ground Force Does the Dutch Higher Education Gardens: three scenarios revisited*, Policy Futures in Education, Vol. 2, N° 2: 2004, pp. 374-387.

³⁸ www.studyin.nl

³⁹ *A move up the value chain? The Netherlands adopts a code of conduct for international education*, The Observatory on Borderless Higher Education, Breaking News Article, 18th May 2006.

⁴⁰ Vossensteyn, H., Deen, J., Adrichem van, A., Dekker, P., Mesker, P., Verkroost, M-J. and Weert de, E., *Offshore education: Offshore education in the wider context of internationalisation and ICT: experiences and examples from Dutch higher education*, Digitale Universiteit / Stichting SURF, Utrecht: 2007.

⁴¹ Adam, S., *Transnational Education Project Report and Recommendations*. Confederation of European Union Rectors' Conferences: 2001.

A report by OECD⁴² on the export and import of higher education worldwide describes the Netherlands as one of few countries in Europe where the government has had an explicitly market-oriented approach on exported higher education. However, there are currently signs of a shift from the focus on short term economic benefits of exported education towards the long-term effects on international student recruitment into the labour market. In its review of the Dutch tertiary education, the OECD⁴³ finds that there is somewhat of a discrepancy between the current national policies on internationalisation of higher education and the actual activities and attitudes at the institutional level on e.g. the recruitment of foreign students. The activities of Dutch higher education institutions outside Europe remain marginal. The main conclusion is that there is potential for the Netherlands to attract more foreign students, but this will require both national and institutional investments in the area.

The most recent and comprehensive study on Dutch cross-border education⁴⁴ found that around one third of the eleven surveyed institutions (out of the total of 56 government funded higher education institutions, of which 14 research universities) were involved in transnational education. The programmes offered by these institutions often included at least a year of study in the Netherlands (due to regulations for issuing Dutch degrees, see 2). The programmes had as local partners both public and private higher education providers, as well as companies, embassies and private institutes. Most of them used “flying professors”, awarded joint degrees, and/or recognised study credits for transfer. Some cases of distance education, branch campuses and study centres abroad were also identified. The motivations for undertaking such activities are multiple, and both academic and economic in nature. The general picture is that the current exported study programmes are based on a “mutual understanding approach”, i.e. related to development cooperation and capacity building, combined with various academic, socio-economic and political objectives.

In 2006 NUFFIC, the World Bank and the OECD organised a conference about the effects of exported higher education on capacity building in developing countries⁴⁵. The discussion concentrated on whether transnational education should be integrated to the development politics and be a part of the North-South partnerships in terms of building capacity for higher education. This approach is been debated along with the for-profit approach, which claims that transnational education could be a source of income for higher education institutions.

3.2 Main national level drivers for export of education

3.2.1 National level policy and strategy

The Dutch government has held a market-oriented approach towards transnational education since the 1990s. Adams found that the main benefits of transnational education were considered to be the expansion of the market, increased competitiveness and the opportunity to implement new technologies⁴⁶. There is no government funding for transnational education.

In 2004, the Dutch Ministry of Education, Culture and Science published the so-called internationalisation letter for higher education, *Koers op Kwaliteit*. This document

⁴² OECD, *Internationalisation and trade in Higher Education. Opportunities and Challenges*. OECD, Paris: 2004.

⁴³ Marginson, S., Weko, T., Channon, N., Luukkonen, T., Oberg, J., *Thematic Review of Tertiary Education, The Netherlands, Country Note*, OECD, Paris: 2007.

⁴⁴ Vossensteyn et al., *Offshore education*, Utrecht: 2007.

⁴⁵ www.nuffic.nl, last accessed 3 July 2008.

⁴⁶ Adam, S., *Transnational Education Project Report and Recommendations*. Confederation of European Union Rectors' Conferences: 2001.

summarises the current internationalisation policy objectives and states that Dutch higher education should be internationally attractive for talented students and researchers and that the quality of foreign students in Dutch higher education should be stimulated “in order to meet the demands of the Dutch knowledge economy”⁴⁷. This indicates a slight shift in focus, from a focus on the short-term economic benefits towards a more quality-based concern for the future labour market. The trigger for this new approach is the fact that the Netherlands is becoming increasingly dependent on foreign recruitment, especially for the area of science and technology, due to a decline of national students in these domains⁴⁸. The percentage of graduates that complete a study programme in the exact sciences or technology is currently only 16 percent, which is one of the lowest in the OECD area⁴⁹.

In terms of target countries, the *Koers op Kwaliteit* indicates a rising interest in the region of South-East Asia (India, Indonesia, Malaysia, Taiwan, Thailand and Vietnam). The location of existing and planned Netherlands education support offices (NESOs) follows this list of regional priority.

3.2.2 Higher education legislation and cross-border provision

At the national level, there are a few legislative conditions and constraints on the export of higher education. Currently, a Dutch higher education institution cannot issue accredited diplomas abroad. The same restriction applies to joint diplomas, which are for the moment not officially recognised by the Dutch authorities, and not covered by the Higher Education and Research Act. Currently, in fact, the only official way to receive a degree certificate from the Netherlands is to study at least a year at the awarding Dutch institution. In the Dutch accreditation system the accreditation of a programme and the physical location of the university are coupled to each other⁵⁰, which does not work in support of transnational education. There is wide consensus that the rules governing higher education accreditation and recognition of degrees should be adapted to the needs of transnational education providers⁵¹. A proposal for a new law on higher education the Dutch Ministry of Education, Science and Culture proposes the possibility to issue Dutch diplomas abroad as well as creation of a framework for the award of joint degrees. However, according to the latest developments, it is unlikely that this proposal will be implemented in the near future, as it is not seen as a priority by the current government.

Contrary to what could be expected, joint degree programmes are relatively wide spread in the Netherlands, even though there is no legal basis for them yet. However, they can for the moment offer only non-official degrees. However, the policy of the Netherlands ENIC/NARIC international recognition department is that joint degrees should be accepted for evaluation if the Dutch institution participating is recognised in the Netherlands, and if the foreign partners involved are recognised in their respective home countries. When this is the case, the advice to Dutch institutions and employers is to recognise the joint degree as equivalent to the national degrees.

The transnational education programmes and joint programmes should all meet the same quality criteria that accredited programmes in the Netherlands are subject to. However,

⁴⁷ Vossensteyn et al., *Offshore education*, Utrecht: 2007, p.13.

⁴⁸ OECD, *Internationalisation and trade in Higher Education. Opportunities and Challenges*. Paris, OECD: 2004.

⁴⁹ Dutch Ministry of Education, Science and Culture, *Key Figures 2001-2005. Education, Science and Culture in the Netherlands*, The Hague: 2006.

⁵⁰ Vossensteyn et al., *Offshore education*, Utrecht: 2007.

⁵¹ Marginson, S., Weko, T., Channon, N., Luukkonen, T., Oberg, J., *Thematic Review of Tertiary Education, The Netherlands, Country Note*, OECD, Paris: 2007.

example cases of exported higher education seem to indicate that major problems in the transnational activities derive from the trade-off between quality and quantity. While the target numbers in student recruitment should be in balance with the quality standards of the collaborating institutions (e.g. their admissions standards), sometimes the two may be in a direct conflict. It is also strongly felt that institutions involved in a transnational education programme should be able to agree on common standards for quality. Indeed, the common understanding in the Netherlands appears to be that the quality assurance of transnational education is the collective responsibility of the importing or receiving institutions, the exporting or provider institutions, and the related national quality assurance agencies⁵².

The national accreditation council, The Netherlands-Flanders Accreditation Organisation (*Nederlands-Vlaamse Accreditatieorganisatie*, NVAO) was founded in 2002. One of NVAO's objectives is to monitor, influence and implement international developments in quality assurance and higher education⁵³. NVAO cannot accredit programmes outside the Netherlands under the present legislation, but in anticipation of new regulations, NVAO has declared that the programmes offered currently by Dutch universities abroad may be considered equal to those offered in the Netherlands⁵⁴.

3.2.3 National level incentives and support for transnational education

The Dutch government is not willing to give direct financial support to transnational higher education operations. However, it is willing to provide financial assistance to higher education institutions in the international marketing of their curriculum and recruitment of foreign students. This support includes today various components and has the long-term aim of developing a homogenous national communication strategy for higher education. The government support includes among other things help with 'image branding' and with finding right communication strategies for institutional marketing (both for traditional universities and HBOs). Also, creation of "centres of excellence" enhancing the profile of Dutch higher education is encouraged. Contacts with international business actors are supported through links with the offices of the Dutch Agency for International Business and Cooperation (EVD) abroad⁵⁵. While this is not directly intended for the support of transnational education in particular, it is expected to support cross-border activities, too, insofar as the "Netherlands brand" achieves higher visibility and Dutch education becomes better known across the world.

One important instrument for promotion of Dutch higher education abroad is the network of the Netherlands Education Support Offices (NESOs). They function as the overseas representative offices of the Netherlands Organisation for International Cooperation in Higher Education (NUFFIC). The main task of these offices is the general promotion of Dutch higher education and the enhancement of cooperation between higher education institutions in the Netherlands and in the NESO regions. At the moment there are five NESO offices, located in China, Taiwan, Indonesia, Vietnam and Mexico. Offices in Thailand and Russia were opened during summer 2007 and possibilities in Brazil, India and Malaysia are being investigated.

The NESO network plays a role in Dutch transnational education, as for the higher education institutions it is often the natural base for contacts, legal advice and general information in the host country or region. NESOs assist also in recruiting students and organising student fairs. Among NESO offices the ones in China and Indonesia are the most active. Institutions

⁵² Adam, S., *Transnational Education Project Report and Recommendations*. Confederation of European Union Rectors' Conferences: 2001.

⁵³ <http://nvaonet.nl>, last accessed 15 May 2008.

⁵⁴ Vossensteyn et al, *Offshore education*, Utrecht: 2007.

⁵⁵ <http://www.evd.nl>, last accessed 15 May 2008.

requiring support get the basic services and advice free of charge, but need to pay for additional arrangements, such as organisation of English language tests locally. The NESOs offer also support in finding local partners.

A quick scan survey including four NESO offices (Indonesia, Vietnam and Taiwan, China) has shown that the Dutch higher education system is not yet widely known in these regions⁵⁶. However, there are examples of Dutch higher education institutions having established double degree programmes run by local institutions. Sometimes “flying professors” are used for the delivery of part of the programmes. Only one institution has a branch campus abroad in a NESO country, namely the *Christelijke Hogeschool Noord-Nederland* (CHN) in China. However, interestingly, the CHN has not taken advantage of the support available at the NESO in the process of establishing its operations.

3.3 Overall assessment of the current offer

Transnational education does not play a central role in the overall Dutch higher education scene: the involved institutions are few, and not among the most renowned; the number of students involved is relatively small; and it is also simply not a policy priority at national and other levels. This latter can perhaps also explain the scarcity of data on this form of international education provision in the Netherlands.

Vossensteyn et al. carried out a web-based survey as part of its 2007 report on Dutch transnational education activities. The survey included 11 Dutch higher education institutions. The selection was made by the criteria of being “relatively internationally active” and/or a member of the Digital University. Over a hundred educational directors in these institutions were approached, with a response rate of nearly 50 percent. 14 respondents were currently or had been until recently active in offshore education. Most of these respondents were satisfied with student numbers, quality and financial situation of the programmes. The total number of programmes that were identified through this survey was 20, and out of all institutions the *Christelijke Hogeschool Nederland* (CHN) was identified as the most active in transnational education provision⁵⁷.

3.3.1 Major institutions active in the field of transnational education

There are two main sectors of higher education in the Netherlands: the research-intensive, “traditional” universities (*wetenschappelijk onderwijs*, the “WOs”) and universities of professional or technical education (*hogescholen*, “the HBOs”). Currently, the government provides funding for 14 universities and 42 universities of professional education⁵⁸. The total enrolment in these categories is today respectively 205 000 and 350 000 students. In addition, there are 11 institutes for international education, which offer advanced courses in English⁵⁹.

⁵⁶ Vossensteyn et al, *Offshore education*, Utrecht: 2007.

⁵⁷ Four higher education institutions included in the initial web-based survey were studied in detail: the Christelijke Hogeschool Nederland (CHN), INHOLLAND University of Professional Education, Saxion Hogeschool, and the International Institute for Geo-Information Science (ITC). The case studies were based on interviews with one or a few experts from the educational programme involved. These case studies were to reflect the various practices and hands-on experiences of the institutions involved in transnational higher education.

⁵⁸ Marginson, S., et al., *Thematic Review of Tertiary Education, The Netherlands, Country Note*, OECD, Paris: 2007.

⁵⁹ www.studyin.nl, last accessed 14 May 2008

According to the recent OECD review of the Dutch tertiary education⁶⁰, the HBO sector seems to be more active than the WO sector in the area of transnational education. Some of the HBOs have established branch offices, are very actively promoting international activities such as exchange arrangements and double degrees, and are interested in engaging in entrepreneurial undertakings abroad. However, one has to be reminded of the fact that these activities still tend to operate at the margins of the existing academic programmes. As there is no nationally collected and comparable data on institutions involved in export of educational activities, the information on the major actors in this field is based on the few existing reports and case studies on the subject. Institutions which seem to be most involved in these kinds of activities include HBO-institutions as *Christelijke Hogeschool Nederland* (CHN, several branch campuses), *INHOLLAND Hogeschool* (franchising and joint degree), *Saxion Hogescholen* (twinning arrangements) and research universities (WO) such as University of Amsterdam (joint degree programme in Bangladesh) and University of Twente (franchising and twinning being developed in several countries). Among the institutions for international education, the International Institute for Geo-information Science and Earth Observation (ITC) is known to be active in transnational education through franchising arrangements. While most of the programmes offered are MBAs, Dutch exported education does not concentrate only on business studies, but rather cover a wide range of subjects.

Most Dutch institutions are in no way engaged in cross-border provision. Interestingly, a very high majority (25) of those respondents currently inactive in transnational education (33 in total) said that they had no plans to engage in such activities in the foreseeable future, either. The main reasons for this at the institutional level are, according to the interviewees⁶¹ the following: 1) off-shore education is not a priority, 2) it may not be suitable for the courses on offer by the institution, 3) staff at the institution are not familiar with transnational education provision, or 4) there simply are not enough staff resources to develop and managed such operations. One further explanation for the lack of interest in transnational education is the presumed lack of “entrepreneurial spirit”, considered typical of public institutions, but essential for engagement in transnational education operations. In addition, national level disincentives, such as legislative conditions and financial constraints (or rather, lack of financial support) hinder higher education institutions from getting engaged in such activities. The government is not willing to fund transnational education activities, and this is not likely to change in the near future, either. Indeed, the focus of internationalisation is on attracting foreign student into the Netherlands, and the central level support – financial and other – is concentrated on that.

3.3.2 Number and types of exported programmes and main target countries

The Observatory on Borderless Higher Education (OBHE) has made an attempt to map the existing branch campus operations in the world. One Dutch university appears in their report from 2006, namely the CHN with its branches in Qatar and South Africa⁶². Also, Eindhoven University of Technology and Business School Netherlands (BSN) appear in publications of the OBHE as providers of transnational education through a branch campus in Nigeria⁶³.

⁶⁰ Marginson, S., et al., *Thematic Review of Tertiary Education*, OECD, Paris: 2007.

⁶¹ Vossensteyn et al, *Offshore education*, Utrecht: 2007.

⁶² Verbik, L., Merkley, C., *The International Branch Campus – Models and Trends*, *The Observatory on Borderless Higher Education*, London: 2006.

⁶³ *New competition? New market? Dutch university opens branch in Nigeria*. The Observatory on Borderless Higher Education, Breaking News Article, 4th April 2004, and *A move up the value chain? The Netherlands adopts a code of conduct for international education*, The Observatory on Borderless Higher Education, Breaking News Article, 18th May 2006.

The following table is using the model of the OBHE to map the provision of transnational education in the Netherlands. The information is based on the seven Dutch institutions included in the case studies and partner scenario-interviews⁶⁴ and the information available from the OBHE. The various modes of delivery (branch campus, joint degree, franchising, twinning programmes, and “flying teachers”) were defined in accordance with the guidelines for this study. The summary includes currently operational and planned activities.

As indicated in table 3, several Dutch institutions operate in various ways in the field of transnational education. Joint degrees⁶⁵, branch campuses and twinning or franchising arrangements are the most common modes of delivery. The programmes spread across several continents and regions of the world, though the majority of current or planned activities are in Asian countries. The subjects offered vary greatly and there are examples from hotel and tourism to business studies, engineering and public health. The main transnational education provision by the surveyed institutions is at the masters level, which seems to support the overall picture as reported by Adam⁶⁶.

The Open Universiteit Nederland⁶⁷ provides distance courses for over 18 000 students. However, its main focus is on Dutch and Flemish speaking students. Currently about 400 students (around 2%) are located outside the Netherlands and Belgium and are likely to be Dutch and Flemish speakers who are temporarily living or working abroad. Attracting students from abroad is not considered as a prime focus for the institution. Distance learning is thus not playing a central role in the transnational education scene in the Netherlands. However, as Vossensteyn et al.⁶⁸ report, there are currently two distance learning initiatives under development. Their aim is to offer masters level programmes in collaboration with education providers in Australia and the US, for both Dutch students and students from these two countries.

In the Vossensteyn et al. study the regions where Dutch institutions have most activities were Asia, Africa and the Caribbean.⁶⁹ Some operations take place in the Middle East. The starting point for the export of educational activities in the Netherlands has naturally been the former colonial relations. These regions with cultural, historic or linguistic ties to the Netherlands include South Africa and the Antilles⁷⁰. There has also been a long association with the islands of Indonesia, but as noted by OECD⁷¹, the educational ties in respect to transnational education offer in this country are surprisingly few. The 2004 policy document of the Ministry of Education, Science and Culture *Koers op Kwaliteit* indicates a rising interest in the region of South-East Asia, as six of the nine priority countries (Brazil, India, Indonesia, Malaysia, Mexico, Russia, Taiwan, Thailand and Vietnam) are in this region. The location of existing and planned NESO offices follows this list of regional priority.

⁶⁴ Vossensteyn et al, *Offshore education*, Utrecht: 2007.

⁶⁵ Although there is no legal framework for the establishment of joint degrees, it is the recommendation of the national ENIC/NARIC office that joint degrees of recognised higher education institutions should be considered as equivalent to the national degrees.

⁶⁶ Adam, S., *Transnational Education Project Report and Recommendations*. Confederation of European Union Rectors' Conferences, 2001.

⁶⁷ <http://www.ou.nl>, last accessed 14 May 2008.

⁶⁸ Vossensteyn et al, *Offshore education*, Utrecht: 2007.

⁶⁹ *Ibid.*

⁷⁰ Adam, S., *Transnational Education Project Report and Recommendations*. Confederation of European Union Rectors' Conferences, 2001.

⁷¹ Marginson, S., et al., *Thematic Review of Tertiary Education*, OECD, Paris: 2007.

Table 3: A summary compiled on the basis of information available from OBHE and the case studies and partner scenarios in Vossensteyn et al. (2007)

Institution	Mode of delivery of TNE	Host Country	Subjects offered	Local Partner	Level	Number of students per year	Funding model	Started	Other information
Christelijke Hogeschool Nederland (CHN)	Branch Campus	South Africa	Hotel and tourism		Bachelors, Masters		Private		Students can follow parts of their education on one or more CHN branch campuses in the world
CHN	Branch Campus	Qatar	Hotel and tourism	Local investment company	Bachelors, Masters		Private		"
CHN	Branch Campus, Joint degree	Thailand	Hotel and tourism	Rangsit university	Bachelors, Masters		Private		"
CHN	Branch Campus	Lebanon	Hotel and tourism		Bachelors, Masters		Private	2000	"
CHN	Branch Campus	China	Hotel and tourism	Royalton Investment			Private	2006	
CHN	Joint degree	Indonesia						End of 1990s, unclear if still active	
CHN	Joint degree	Surinam						End of 1990s, unclear if still active	
CHN	Joint degree	Aruba						End of 1990s, unclear if still active	
INHOLLAND	Franchising	Surinam	Economics	A private branch of the Anton de Kom Universiteit in Paramaribo at Stichting Hoger Onderwijs Surinam	Bachelors (4 programmes)	385 enrolled in 4 programmes (not clear if per year or current number of registered)	Tuition fees	2001	Local staff trained by Dutch partners teach the entire program
INHOLLAND	Joint Degree	China	International leisure management	Shanghai Normal University				Under development	
Saxion Hogeschool	Twinning	Vietnam	International business and management studies, accounting and finance, marketing and electrical engineering	Local university					The programme includes 3 years in the host country and 1 final year in the Netherlands
Saxion Hogeschool	Twinning	China	Civil engineering, business information systems, international business and management studies	Local university					"
Saxion Hogeschool	Twinning	Indonesia	Environmental Science	Local university					"

International Institute for Geo-information Science and Earth Observation (ITC)	Franchising	Many regions (e.g. China, Africa)	Related to Geo-information and natural resource management	Local universities	Masters	Approximately 15-20 per programme			
University of Amsterdam	Flying teachers	South Africa	Public health	School of Public health of the University of Western Cape	Masters			2005	
University of Amsterdam	Joint degree	Bangladesh	Public health	James Grant School of Public health, BRAC university	Masters			Under development	
University of Twente	Franchising/Twinning	China	Business studies	College of Business Administration of Hunan University in Changsha	MBA	9		In an experimental phase	
University of Twente	Franchising/Twinning	South Africa, Mozambique, Zambia and some European countries	Teacher Training	Several partners	Masters			Under development	
Open University of the Netherlands	Distance education	Australia		University of Sydney	Masters			Under development	
Open University of the Netherlands	Distance education	United States	Educational research	Florida State University	Masters			Under development	
Eindhoven University of Technology	Joint degree	Singapore	Technological design	National university of Singapore, Centre for Design technology	Masters			Currently under review	
Business School Netherlands (BSN)	Branch campus	Nigeria	Marketing, Information management, Operation and human resources management	African Leadership Forum	MBA and other programmes	30		2004	

3.3.3 Numbers of students participating in Dutch cross-border programmes

The 14 institutions which responded in the survey by Vossensteyn reported that their programmes were catering for student groups of various sizes, from 1 to 1 000. Among these eight respondents reach between 20 and 50 students while five respondents serve more than 100 students. The overall number of students involved in the about 20 different off-shore programmes is estimated to be somewhere between 1 000 and 2 000 students.

These figures can be compared to the numbers of foreign students registered for regular courses in the Netherlands, which stood at around 21 000 in the academic year 2002/2003⁷². When all public and accredited private institutions are accounted for, the estimated number of foreign students is 37 000 (for 2002-2003), half of which are students from other European countries. The top five countries sending students to the Netherlands are Morocco (10%), Turkey (5%), Surinam (5%), China (4%) and Indonesia (3%)⁷³. Among these countries only China has significant Dutch transnational education operations.

3.3.4 Main motivations and drivers at the institutional level

As already mentioned, the overall policy on internationalisation of the Dutch government encourages recruiting students from abroad into the Netherlands. The higher education institutions are currently increasing their international student enrolment based on a variety of motivations, among which both academic and economic, as well as development cooperation and other political objectives.

The main findings of Vossensteyn et al.⁷⁴ show that most of the exported education activities were initiated by contacts established in various academic projects and meetings. The reasons why the activities started differ greatly. Many of them are based on development cooperation objectives, or the “the mutual understanding approach”, but are also described as capacity-building exercises through staff exchange, strengthening educational programmes, and establishing partnerships. Also adding to the international profile of the institution and creating an attractive environment for foreign students feature among the main motives. In other words, making profit seems not to be the main asset for the institutions involved in these kinds of activities. On the contrary, the institutions reported that creating partnerships requires a long-term commitment, as well as investment of financial resources and staff time. There are many administrative and legal obstacles, as well as cultural differences between the academic environments to tackle, which makes a quick financial return an unrealistic expectation. It is also considered of outmost importance to have a good knowledge of the local environment and of the local partner for the operations to be successful.

One main concern related to cross-border provision regards quality. Quality of education - and of students – should be the same in cross border operations as it is “at home”, from the institutional point of view, in order to avoid any damage to image. Together with the risks related to image and reputation, financial risks are seen as potentially discouraging institutions from getting involved in transnational education ventures. Furthermore, it is regarded as a significant obstacle for transnational education that for the moment students need to study for at least a year in the Netherlands to be awarded a Dutch degree.

⁷² Kelo, M., Teichler, U., Wächter, B. (eds.), *EURODATA – Student mobility in European higher education*, Lemmens, Bonn: 2006.

⁷³ OECD, *Education at Glance*. OECD, Paris: 2006.

⁷⁴ Vossensteyn et al, *Offshore education*, Utrecht: 2007.

3.4 Future development of transnational education in the Netherlands

3.4.1 Market for Dutch higher education abroad

Vossensteyn et al. describe the growing market opportunities for Dutch higher education abroad, based on information obtained from NUFFIC and the NESO network. Their findings conclude that there are substantial student markets that are waiting to be served. An increasing number of students have a sufficient level of English and degrees from high profile Western countries are regarded as valuable for future job opportunities. Masters, and to some extent bachelors level courses in business, economics, law and engineering are found to be most popular. Furthermore, the growing provision of English courses in the Netherlands can offer an alternative to the typical Anglophone study destinations. In some cases, studying abroad is considered by students a better option than enrolment in education provided by foreign institution in the home country. However, a substantial number of students would prefer to stay in the home country in order to avoid high costs and certain risks. This is partially due to the limited number of scholarships available for foreign students in Western countries, and the lower living costs in the home country.

The possibilities for offshore education provision differ by destination country. A number of factors may be considered as obstacles for the setting up of education activities abroad: different regulations on higher education in the Netherlands and the target country, difficulties in finding good partners for joint activities, need for the programmes to be accredited in both countries, and the high initial investment and – in some cases – running costs of this kind of collaborations. A further obstacle identified is the fact that Dutch higher education system is not yet well-known around the world, and thus its competitive position is made more difficult among a number of better known foreign providers.

The conclusion is that in order to increase the provision of exported education, the Dutch higher education institutions may need to take some collective action, conduct thorough analysis of the target region, and work consistently with promoting the image of Dutch education. Furthermore, significant policy changes, such as accreditation of joint degrees and possibility to award degrees without study period in the Netherlands are crucial for the full development of exported education. This said, since spring 2007 the government has renewed its policy focus on attracting more foreign students into the Netherlands, rather than awarding Dutch degrees outside of the country. Indeed, it could be said that, for the moment, the government has taken a relatively conservative approach to transnational education, and is not willing to support it. Funding for transnational education comes primarily from private sources and tuition fees, as government support per student and per credit does not include students studying for Dutch programmes in foreign countries.

In the Vossensteyn et al. survey⁷⁵, eight respondents who currently were not active in transnational education, expressed an interest in getting involved in it in the future. In addition, a great majority of the institutions currently active would like to continue and expand their transnational education operations. The non-active respondents, who were not interested in launching offshore activities, mentioned as main reasons among others not being familiar with the concept, the high workload such operations demand, staff shortage, other institutional priorities, or the fact that programmes on offer were not considered as suitable for export. The respondents willing to conduct offshore activities in the future would like to focus on programme mobility (flying professors, joint degrees, recognition of credits) and distance education. They would want to cooperate with local higher education providers in Asia, Caribbean, Africa and Europe.

⁷⁵ *Ibid.*

The number of Dutch operations in transnational education is likely to gradually increase, as the experiences from transnational education are expanding and more institutions become familiar with the concept. Collaboration between higher education institutions in transnational projects, both nationally and internationally, is also expected to increase. However, these developments are clearly slowed down by the current legislative and financial obstacles for transnational education.

3.5 Conclusion

Transnational education is part of the international development of higher education, and the Netherlands has caught on to this process. However, the operations of Dutch higher education institutions outside Europe are still relatively few in numbers and the activities are not monitored on the national level.

The current offer of Dutch transnational education is characterised by variety, both in terms of choice of host countries, mode of delivery and subjects offered. Vossensteyn et al.⁷⁶ identified 22 cross-border programmes, which are ongoing or under development. The Dutch institutions involved in transnational operations represent all government-funded sectors of higher education in the Netherlands: HBOs, WOs, and institutions for international education.

Despite many administrative and legal obstacles both in the host countries and at home, the Dutch institutions involved in transnational education are creatively exploring new modes of delivery for their programmes. They find the activities rewarding, both in terms of student numbers as well as to the quality and financial sustainability of the projects. The positive outcomes for the institutions are therefore both economic and academic.

The Netherlands is determined to make their higher education attractive for foreign students. The current strategy for promoting Dutch higher education consists of various components, which to certain extent also facilitate initiatives of transnational education (NESO-network, establishment of study programmes taught in English, etc.). However, the main focus of support and activities is currently on internationalisation “at home”, rather than on launching higher education operations abroad. This position is also reflected in the legislation, which does not fully correspond to or support the realities of transnational education. The future developments will show whether transnational education will move from the margins of the internationalisation effort and become an integrated element of this process in Dutch higher education.

⁷⁶ *Ibid.*

4 Transnational education in Spain⁷⁷

4.1 Spanish higher education in the international context

Transnational education in the frame of the General Agreement on Trade in Services (GATS,) and the Bologna process are raising significant interest in Spain. While the Bologna process has found its way into the core agenda of higher education reform, the provision of transnational education in Spain is still perceived as somewhat new.

In Spain there are a total of 70 universities, 48 of which are public. All universities, whether public or private, have to abide to national and regional legislation, though the Organic Law on Universities (LOU, December 2001) allows for some differences between public and private universities in questions such internal structure, organization and operation rules and teaching staff. National authorities do not have any longer the responsibility for higher education. While regional authorities have now acquired the responsibility, they do not often exercise it.

The total number of students registered for 1st and 2nd cycles (third cycle and Erasmus not included) in the academic year 2006-07 in Spanish universities was just above 1.4 million, out of which 90 percent attend public universities. The data from the Ministry of Education⁷⁸ show that a total of nearly 30 000 students from abroad have been registered in Spanish universities in the academic year 2006-2007. 2.1 percent of the registered students at Spanish universities are foreigners, 1.5 percent of the total from outside the EU25.

Table 4: Number of students in Spain 2006/07

Academic year 2006/07	TOTAL students enrolled	Public Universities	Private Universities
Total in Spain	1 405 894	1 265 480	140 414
Total foreign students, of which:	29 636 (2.1%)	27 116	2 520
- EU 25*	7 885	7 172	713
- Other	21 751 (1.5%)	19 944	1 807

*Romanian and Bulgarian students not included as they entered officially the EU in January 2007.

Regarding internationalisation in the frame of the Bologna process, new rules on the use of the European credit system (September 2003), the issuing of the Diploma Supplement (2003), and the validation and assessment of study programmes and official degrees from abroad (2004) are already in force. Furthermore, after extensive discussions in the Council for Universities Coordination, in which a high level of consensus was reached, the government approved in January 2005 by Royal Decree two basic regulations for the establishment of a new structure of higher education programmes, consisting of three cycles: first cycle bachelors), second cycle (masters) and doctoral studies.

⁷⁷ This report was produced by M. Begoña Arenas, Project manager at Scierter España.

⁷⁸ http://wwwn.mec.es/educa/ccuniv/html/estadistica/cursos2006-2007/Avance_2006-07.xls, last accessed 12 January 2008

The Spanish government has begun the procedure for the signing of the Lisbon Convention on the recognition of foreign degrees. Until now, the main obstacle has been the existence of rigid rules regarding official degree programmes in Spain: the compulsory core curriculum - fixed by the national government - included very detailed content guidelines, leaving little space for institutions and making it thus very difficult to articulate these requirements with other countries' programmes. In addition, first degree programmes were generally longer than in other countries. The recent establishment of the three "Bologna cycles", which are more comparable in duration to those existing in other countries, will lead to a reduction of the content of core curriculum. This is expected to facilitate the creation of double and/or joint degrees⁷⁹ with other European and international institutions. The legal restrictions just mentioned have been the main reason for the small number of double and joint degrees created up to now with universities abroad.

Student mobility has developed during the last years, especially in the area of postgraduate studies. In some universities specific periods abroad are part of the curriculum and may include additional complementary grants during the stay in a foreign country. Furthermore, the budget for mobility scholarship programmes in both directions has experienced a significant growth, including enforcement of domestic mobility programmes (Seneca programme). However, it is felt that additional efforts are needed from all educational authorities and universities to increase student mobility further.

4.2 The national framework for transnational education

The Spanish primary and secondary "educational activity abroad" (*Acción Educativa en el exterior*) is regulated by the Royal Decree 1027/93. This decree was further developed by order ECI/1711/2005 on the establishment of collaboration agreements with education institutions which have centres abroad, and it rules their education related activity. Most of the Spanish primary and secondary education institutions with centres abroad act through such collaboration agreements with the Ministry of Education and Science. Indeed, there is a network of centres which have signed agreements with the Ministry⁸⁰. Not all the centres present abroad are part of this network but only those which are considered to assure prestige to Spanish education.

According to the decree Spanish educational action abroad should include:

- i) the promotion and organisation of support programmes in the frame of foreign educational systems for teaching Spanish language and culture;
- ii) support programmes for educational and research exchanges;
- iii) measures aimed at facilitating the access of Spanish students to education abroad and the promotion of Spanish education, culture and research abroad.

The decree establishes therefore in a very generic way the general framework for Spanish primary and secondary education activities abroad. It does however not regulate or mention in any way tertiary education nor include details such as the choice of host countries or partners for transnational education operations. Indeed, it is clear that the regulations only

⁷⁹ **Double degree** means that the student will have two different official degrees integrated in one study programme. The duration of double degrees is normally higher than a single degree but lower than taking both degrees separately. **Joint degree** means that two or more universities will award a single degree together.

⁸⁰ <http://www.mec.es/educa/jsp/plantilla.jsp?id=43&area=internacional>. Last viewed on 3 September 2007.

refer to primary and secondary education, and it has not been possible to identify anything similar for higher education.

It can be said, therefore, that there is no general framework to regulate and promote the export of higher education in Spain. However, the organic law (LOU)⁸¹ sets the main rules both for the Spanish centres present abroad (**education export**) and the foreign centres present in Spain (**education import**). Article 85 of the LOU, which concerns education export, states that:

“The creation and abolition of centres depending of Spanish universities abroad, which will offer official university degrees with validity in the Spanish territory (...) will be agreed by the government, under joint proposal of the Ministry of Education, Culture and Sports and the Ministry of Foreign Affairs, following a proposal of the Social Council of the university concerned and after a report of the steering committee of the university”.

Furthermore, article 83 of the LOU confirms that the centres abroad will actually have a different nature from those in the Spanish territory as “they will [...] adapt themselves to the requirements of the territory”.

The state and the regional authorities are in charge of assuring that the regulations concerning education import and export are fulfilled and very importantly that sufficient and accurate information is provided to students wishing to undertake transnational education. The LOU does not however set any legal tools in the form of sanctions or limits, and has thus been criticised as expressing little more than an “empty will”.⁸² Even though the LOU is currently undergoing reform, the articles related to foreign providers and provision abroad are to remain the same.

The Royal Decree 557/1991 establishes the basic rules concerning the creation and recognition of universities and university centres. This decree states that *“to guarantee unity of action abroad, the government will be responsible for the creation, outside the national territory, of centres which will depend of public universities that will provide official degrees with validity in all the Spanish territory”*. In general terms, it can be stated that the rules for higher education studies in Spain and for exported education are the same.

The National Agency for Quality Assessment and Accreditation (ANECA) is a public foundation established in 2002. Its mission is the coordination of quality assurance policies in Spanish universities. ANECA’s activities focus mainly on assessment and accreditation of study programmes and institutions, teaching staff evaluation prior to appointment by universities, prospective studies, and reports and definition of quality criteria. Therefore, ANECA is an instrument to improve teaching, research and management activities in the universities, provide different authorities with adequate information for decision making, and information to the general public on the fulfilment of its objectives by universities. In addition to ANECA, eight regional agencies develop similar activities in their respective geographical areas. In 2003, a coordination committee between the national and the regional agencies was set up with a view to improve coordination of their higher education assessment activities, based on the principles of transparency and cooperation. In general it can be stated that even though quality has become a central concern in many higher education domains, the current internationalisation policies and practices in Spanish higher education

⁸¹ LEY ORGÁNICA DE UNIVERSIDADES. (B.O.E. 24 Dec. 2001)

⁸² Cámara del Portillo, D., *Comentario al Art 86*, in AAVV, *Comentario a la Ley orgánica de Universidades*, p. 567.

have been implemented without much concern for quality assurance. Indeed, even though UNESCO and OECD have developed guidelines to deal with quality in transnational education⁸³, Spain has not yet set quality standards for higher education operations abroad or for distance or e-learning programmes for foreign students.

The Spanish NARIC (the National Academic Recognition Information Centre) has responsibility for informing about franchised education and for the recognition of foreign undergraduate and postgraduate diplomas.

4.3 Current offer of Spanish transnational education

According to the *Transnational education project report and recommendation*, “the concept of transnational education is not very well understood in Spain and opinions about the nature of such imported education are very varied”⁸⁴. Indeed, the term ‘transnational education’ is not widely used – or understood - in Spain. However, the report 2005 report *La Educacion Superior Transnacional. El GATS*⁸⁵ shows that there is an increasing concern for this phenomenon. The main actors (public and private universities, national and regional institutions etc.) seem to be aware of the importance of transnational education in the frame of the current globalisation trends and this concern has started to demonstrate itself in practice through an increasing presence of Spanish higher education institutions abroad, in particular in Latin America. Furthermore, it is clear that the globalisation process and use of ICT are in the process of modifying teaching and learning methods also in Spain.

The *Educacion Superior Transnacional* -report provides an overview of transnational education in Spain classified by the GATS modes⁸⁶. According to the report, Spain is fully committed to liberalisation of the commerce for services as promoted by the GATS for modes 1, 2 and 3. The report states specifically that mode 4, i.e. movement of professionals, is not yet consolidated.

Out of the 70 universities in Spain, we have only been able to find eight with extensive transnational education operations abroad and only two of them with a physical presence abroad (in Latin America). The major interest seems to lay in virtual provision and distance learning as the principal delivery modes of exported education. Below are some examples of Spanish transnational education ventures classified by the GATS modes.

⁸³ UNESCO/OECD Guidelines on “Quality Provision in Cross-Border Higher Education”, 14-15 October 2004. Tokyo, Japan.

⁸⁴ Adam, *Transnational education project report and recommendations*, Confederation of European Union Rectors’ Conferences, 2001

⁸⁵ “La Educacion Superior Transnacional. El GATS. Proyecto EA – 2005 – 0080” (December 2005) produced by the Universities of Castilla-la Mancha, Politecnica de Cataluña and Autónoma de Madrid

⁸⁶ GATS modes:

- Mode 1 - Cross-border provision with no one actually moving (e.g. postal services or telecommunications).
- Mode 2 - Consumption of services abroad through temporary relocation of the consumer (e.g. visiting student).
- Mode 3 - Commercial presence or subsidiary branches (e.g. banks, hospitals, or construction-firms that are owned by a foreign company).
- Mode 4 – Temporary movement of natural persons (workers) across borders to provide services (e.g. executives or doctors).

The Spanish universities offering distance and e-learning courses designed to attract students outside Spain considered as most representative are:

- **Universidad Nacional de Educación a Distancia – UNED** (<http://portal.uned.es>) started as a traditional distance university back in 1970 and has evolved into a modern university using new technologies for learning as part of their offer. It is the biggest university in Spain with over 160 000 students, 26 degrees and more than 500 continuous training courses. In the 1980s UNED started to export their methodological model to Latin America and became leaders of AIESAD (the Ibero-American Association of Higher Distance Education). Currently in the academic year 2006-07 they have a total of 2,038 students registered from abroad, which represents 6.9 percent of the total foreign students registered in Spain the same year according to the data published by the Ministry of Education (see above).
- **Universitat Oberta de Catalunya** (www.uoc.edu) is mainly present in Europe and Latin America, where it is currently developing a virtual network of universities based on its cooperation “metacampus” model: a Europe-Latin America university network based on virtual mobility and offering undergraduate and postgraduate double degrees. Their strategy abroad is based on alliances with universities and research institutions from different countries, with which the university shares a similar vision and values. These are alliances between equals, with whom common objectives are established. They are alliances based on the respect and acceptance of cultural and linguistic differences, and on seeking co-operation from a starting point of cultural diversity. In this frame, UOC has signed agreements with more than 30 American universities as well as with commercial companies and corporations for the offer of postgraduate courses.
- **Fundación Universidad Iberoamericana** (www.funiber.org) is a university foundation which aims at promoting and sharing Spanish and Portuguese culture and knowledge with Latin American countries. Since its foundation in 1997, FUNIBER has grown significantly covering currently 15 countries. The network is composed of more than 35 Spanish and Latin American universities as well as a number of companies and corporations. FUNIBER directly offers inter-university masters and postgraduate programmes following the “double degree” modality (i.e. award and recognition of degrees in the two countries that participate in the programme).
- **Instituto Universitario de Posgrado** (www.iup.es) was created by Universidad Autónoma de Barcelona, Universidad Carlos III and Universidad de Alicante as a separate institute which is to provide postgraduate distance degrees to Spanish and Latin American residents. Their offer includes ten masters programmes (MBA, finances, banking management, strategic management and innovation management, commercial management and marketing, tourism direction and management, journalism and digital communication, edition and new technologies applied to education). The degrees are generally awarded by the three universities involved (exceptions are the masters programme in edition, which is awarded by the University of Salamanca, and the masters in digital journalism which is awarded jointly by Universidad Autónoma de Barcelona and Universidad Carlos III de Madrid). The students are mostly mid-career managers, and for about 40 percent of them the studies are financed by their employer.
- **Universidad Politécnica de Cataluña, UPC** (www.fundacio.upc.edu) has created independent centres abroad in Chile and Mexico City. The centres provide postgraduate programmes which use blended learning methods, i.e. combining face-to-face and e-learning elements. Most of the blended learning courses are taken at one of the centres,

although some are also taught at partner schools. However, all degrees are awarded by UPC. The UPC degrees on offer in Chile range from ergonomics to tourism and management.

- **CEPADE** is the post-graduate Study Centre for business administration of the Universidad Politécnica de Madrid. CEPADE offers face-to-face as well as online distance masters programmes. In the academic year 2005-2006, their distance learning student population came from 38 different countries. Out of the 2 000 students registered in 2006-2007, 50 percent were actually living outside of Spain (there is no information available about the nationalities of the students).

Mode 2 - Commercial presence or subsidiary branches

As regards the physical presence of Spanish universities abroad, we have only been able to find evidence of two Spanish universities with operations in Latin America. The establishment of branch campuses is therefore not yet a mass phenomenon, most probably because of the high initial investment required by such operations.

- **Universidad Nacional de Educación a Distancia – UNED** has four centres in Latin America (Brazil, México, Venezuela and Peru), following an agreement with the Ministry of Labour and Social affairs. It also has two centres in Africa, in Equatorial Guinea, which have been set up by UNED together with the Spanish Agency for International Cooperation (AECI, <http://www.aeci.es/>) of the Spanish Ministry of External Affairs. These centres are used for the registration of students and for face-to-face exams. They all have basic libraries with the publications edited by UNED and the recommended books in the different subjects. UNED also offers their students the possibility to hold exams in New York even though they do not have a centre there.
- **Universidad Politécnica de Cataluña – UPC**, as mentioned above, has opened centres in Chile and Mexico City. The training offer for 2007 in Chile is formed by masters and postgraduate courses (face-to-face and on distance basis, depending on the course) in five specialised HE fields: ergonomics and prevention, industry, quality and environment, tourism and optics. All the programmes offered lead to a Spanish degree awarded by the Universidad Politécnica de Cataluña. Each training programme is taught by professors from the UPC together with Spanish and Chilean professionals who bring in expertise in their specific field. All the programmes are coordinated by academic staff from the UPC and build on the experience of the UPC in Spain.
- **Universidad Ramon Llull** in Barcelona has an internationally well known business school called ESADE. ESADE has agreements and collaboration arrangements with over 100 universities and business schools around the world and it boasts to be the European business school with the most extensive student exchange network in Latin America. The institution is a founding member of the Community of European Management Schools (CEMS). In 2003 ESADE opened a new senior executive training centre - the Foundation for Business and Social Development - in Buenos Aires, Argentina. It offers an MBA programme which leads to an ESADE degree. ESADE has also a double degree full time MBA programme with a number of US and South-American institutions.

Mode 3 - Temporary movement of natural persons across borders to provide services

There is no comprehensive information regarding the participation of Spanish higher education teachers in programmes delivered in other countries. However, several distance

learning programmes with face-to-face modules as well as established study centres abroad involve temporary movement of academic as well as other staff. In Spain, the main factor influencing mobility of teachers and staff is the availability of grants and inter-institutional arrangements. It is also important to mention the flexibility to offer contracts and other appointments to persons with a non-EU nationality, something which is no longer a legal obstacle for Spanish universities. As a matter of fact, appointments to permanent positions at universities for these persons have increased considerably and will be facilitated by the new legislation on recognition of foreign degrees. The new 2005 Regulation on foreigners further simplifies contract procedures for teaching and research staff.

4.3.1 Support and cooperation for transnational education operations

The main support tool for the promotion of Spanish Universities in Latin America is UNIVERSIA (<http://www.universia.net/>). Universia was created in 2000 as an Internet-based initiative, promoted by a group of 31 Spanish universities with the support of the Spanish Rectors' Conference (CRUE) and the Spanish Higher Research Council (CSIC), and with the sponsorship of Grupo Santander, the largest banking group in Spain. It has now 1 056 university members in Spain and eleven Latin American countries (Argentina, Brazil, Chile, Colombia, Spain, Mexico, Peru, Puerto Rico, Venezuela, Portugal and Uruguay).

Universia was created to become the reference point on the Internet for networking the Latin American Universities (including their rectors, academic representatives, professors, researchers, graduate and postgraduate students, and administrative staff) with higher education institutions in Spain. It aims at promoting "the Union of 1056 HE institutions which represent a community of over 10 million university students in 11 Latin American countries". It supports and funds meetings of presidents and rectors of Spanish and Latin American Universities and promotes the development of joint academic projects.

The network has twelve Internet portals: one per country where it is present and a global site (<http://www.universia.net/>) which collects information and contents from the entire network. Available information covers issues such as scholarships and first employment opportunities in Spain and Latin America, information about the participating institutions, and current news.

4.4 Motivations at institutional level and future development of transnational education

Investigation into Spanish transnational education involvement shows a clear tendency towards operations in Latin America. Indeed, both the national and regional ministries and many public and private universities have signed agreements with several Latin American universities and institutions. Such a strong preference for Latin America is best explained by the strong cultural links, as well as the common language. Being able to offer programmes in Spanish coupled with the extensive unexplored market in Latin America are a strong driver for Spanish institutions. The main motivation for the Spanish institutions to get involved in transnational education seems to be to improve the prestige of the institution and the Spanish language and culture or in the case of the Catalonian universities to increase the projection of the Catalan culture and the Catalan universities around the world. There is not, for the moment, any national or regional strategy for transnational education.

The research carried out for this report has proved that all the education and training offer and the cooperation agreements between Spanish higher education institutions and US or Latin American universities have been active and growing in both 2005-06 and 2006-07. It can be plausibly expected that the tendency will continue in the next years. It is agreed that

there is likely to be a fast development of virtual universities and distance learning as a major approach used for exported education. It is noteworthy that the funding and initial investments required seem to be a key factor to understanding the low level of physical international presence of Spanish universities⁸⁷.

As regards the number of institutions involved, we can easily notice that Spain is, for the moment, an “importer” rather than an “exporter” of education. Indeed, according to the report *La Educacion Superior Transnacional. El GATS*, there are over 36 foreign higher education institutions operating in the Spanish territory⁸⁸. However, the desk research and the comparison of available data from 2004 to 2007 have shown that there is a growing trend towards Spanish universities opening branches, centres, and creating cooperation agreements with universities abroad, and based mainly in Latin America.

Since the main legal framework for the new degree system in the frame of the Bologna process has already been defined, the process of internationalisation of all Spanish higher education institutions has been facilitated. In this new stage, only the full active participation and motivation of all education authorities (both national and regional) and the universities themselves will assure success in achieving the Bologna objectives, and in placing Spain solidly on the global higher education map.

⁸⁷ Public universities have financial autonomy: they receive most of their funds (between 70 and 75% of the total revenues) as grants from regional authorities. They get between 15 and 20% of income from tuition fees paid by students (their amount is determined by regional Governments between certain margins approved by the Council for Universities Coordination). Other sources of revenue (external contracts and provision of services) account for between 5 and 7 percent of the total. Private universities have autonomy to decide on teaching contracts but at least 25 percent of their teaching staff must have a doctoral degree.

⁸⁸ Both with centres in Spain or awarding degrees from their institutions offered by Spanish institutions, example: the *Escuela Superior de Informática y Negocios de Cantabria* offers a bachelor course in Business Administration that is also awarded by the American University of Washington.

5 Transnational Education in the United Kingdom⁸⁹

5.1 Introduction to transnational education in the United Kingdom

The British Council estimates that there are currently 240 000 students studying for United Kingdom higher education awards outside of the country (see 3.1 below for a detailed breakdown of this figure). Indeed, with innovations in delivery methods and the developing quality assurance schemes, it is no longer necessary for students to study full time in the UK to access a wide and varied range of British education opportunities. The vast majority of UK universities are involved in overseas delivery. It is estimated that at least 65 percent have some form of transnational education activity. Their motivations for delivering internationally and models of delivery vary depending on the programme and the country in which they are operating. This chapter describes the different ways that the United Kingdom degrees and foundation programmes are delivered outside of the country.

The UK is a major global player in both student recruitment and transnational delivery, and the distinction between the two is becoming increasingly blurred. Many transnational education students go on to study in the UK, and there is increasing involvement of private providers. Although there are no signs that the global education market has peaked, established markets are changing dramatically. While the growth in the number of students studying in the traditional markets of the Europe, the USA and Australia is slowing, education hubs are developing fast in other areas: students are increasingly travelling to Malaysia, Singapore, China or the Middle East rather than the West in search of an international education, delivered by either State, or increasingly, private institutions.

This chapter begins by defining transnational education in the UK context, explains the terminology commonly used, and then presents an analysis of the numbers of students and programmes involved. It then goes on to describe the changing market for UK transnational education and the policy response to the related changes, highlighting policies such as the second Prime Minister's Initiative (PMI2). The Prime Minister's Initiative acknowledges that not only demand drives the development of transnational education, and that the UK policy agenda focus on internationalisation and international partnerships is fundamental in an increasingly competitive and globalised market. Research studies onto UK institution motivations for transnational education engagement and views of students are also summarised.

5.1.1 Definitions of transnational education and different approaches to overseas delivery

The term "transnational education" is used in this chapter to refer to education provision from one country offered in another. UK transnational education includes a wide variety of delivery modes among which distance and e-learning, validation and franchising arrangements, and twinning and other collaborative provision. Most UK universities work with local partners in the delivery of programmes internationally. A local partner can be either a university or college (public or private) or sometimes an education agent. The responsibilities between the UK university and the local partner will be negotiated and agreed as part of the development of the programme. A local partner will typically be involved in some or all of the following activities:

⁸⁹ This report was produced by Kevin van-Cauter, British Council.

- i) Marketing and recruitment
- ii) Student support (e.g. tutoring, library services, study skills support, counselling)
- iii) Teaching and assessment

However, within the university sector in the UK, the term “transnational education” is not widely used. Most universities use the umbrella term “collaborative international provision” or more commonly describe transnational education by its component parts e.g. “franchised provision”, “distance learning” or “branch campuses”. Similarly the research that the British Council has commissioned (Tang et. al. 2006, JWT Education 2005, 2006) has revealed that key target audiences involved in the local delivery of transnational education as well as students and other stakeholders are also not familiar with the term and typically use “distance learning” to describe the programme that they are undertaking or involved with.

There is much debate surrounding the terminology used for UK programmes delivered abroad. The terms - distance learning, in-country delivery, twinning, collaborative programmes, e-learning, franchising etc. - are used by UK institutions to mean different things and are often used interchangeably. The glossary below tries to explain this terminology and gives examples from UK institutions to illustrate the different approaches taken.

Distance Learning

The term “distance learning” is used differently depending on the context in which it is used. Traditionally “distance learning” is used to describe a learning experience which has little or no face-to-face contact. Students are able to study at their own pace and have limited interaction with other students or tutors on their course.

In recent years, many distance learning programmes have developed to incorporate face-to-face teaching support. Such programmes are often described as “supported distance learning”, though international students often see these programmes as “part-time study” rather than distance learning. The teaching may be delivered by UK academics travelling overseas to teach part of the course, or through local tutors or academics, or a mix of the two.

Online Learning and E-learning

The term online learning (or virtual learning) is used to describe learning delivered via the Internet. High quality online learning is highly supported and interactive, as students are able to communicate online through chat rooms and email. Course work usually includes collaborative activities to ensure that students interact and learn from each other.

The more general term e-learning refers to any learning that is delivered electronically (internet, CD-ROM etc). Programmes using both e-learning and face-to-face tuition are known as blended learning.

In-country delivery/collaborative provision/partnerships

In-country delivery is used to describe programmes where the delivery mode is predominantly face-to-face (for the whole of a course or a part of it). Teaching is usually delivered through a local partner institution or through a branch campus. Most of the teaching will be delivered through locally based tutors. The level of UK input into the programme and delivery will vary.

Models of in-country delivery include⁹⁰:

- i) **Branch campuses.** The UK institution creates a campus in another country. Staff may be recruited locally or brought from the UK, but they are staff of the provider institution. The UK institution is the sole responsible for course delivery and all academic matters. Currently, the number of fully fledged branch campuses is very limited. The costs involved in the development and management of such ventures is prohibitive to the majority of institutions.
- ii) **Twinning programmes.** The UK institution has a local partner, which partner teaches part of the UK institution's course, using their own staff. Students transfer to the UK institution's own campus (in the UK) to complete the course, and receive a degree from the UK institution. Typical combinations are:
 - a. 1+2 – the first year of the degree programme is delivered overseas followed by two years in the UK
 - b. 2+2 - foundation and first year of the degree programme is delivered overseas and the final 2 years of the programme in the UK
 - c. 3+0 are delivered entirely by the partner institution and do not involve any period of study in the UK.
- iii) The UK institution will provide the course material to the local partner, or agree to accept the partner's own course as an alternative. The local partner is responsible for course delivery at their institutions, and the UK institution is responsible for monitoring academic standards.
- iv) **In-country foundation or access programmes.** Many foundation or access programmes are delivered outside of the United Kingdom. Some programmes prepare for entry to a particular degree programme in the UK, while others are more general.
- v) **Dual or joint award.** The UK institution and local partner provide programmes leading to separate awards of both or all of them (dual award) or to a single award made jointly by both or all of them (joint award). The programme content is usually developed together by the degree providing partners.
- vi) **Franchising.** The UK institution licences a local institution to teach some or all of its courses, so that students can receive the award of the UK institution without attending the UK campus. In this case, the local institution is responsible for delivery of the course, and uses usually its own teaching staff. The UK institution makes the final award and has overall responsibility for content, delivery, assessment and quality assurance of the programme.
- vii) **Validation.** The course is developed and delivered by the local institution. The UK institution judges whether it is of appropriate quality to lead to its award. The UK institution will determine the extent to which it exerts direct control over quality assurance aspects.
- viii) **Articulation.** A related term (not specific to in-country delivery). This is a transfer arrangement between a UK and a local institution. The UK institution agrees to

⁹⁰ Appendix 1 provides a fuller analysis and classification system for the types of UK transnational education provision.

recognise and grant specific credit and advanced standing to applicants from a named programme of study pursued in the local institution.

5.2 The main drivers of transnational education at the national level

The British Government's work with transnational education really began in 2000 with the publication by the British Council of the report "Distance Learning and In-country Delivery" (Healy 2000). The report signalled a change in direction by the British Council, from supporting individual UK providers of transnational education programmes to generic support and promotion of UK transnational education activities. The explicit inclusion of transnational education within the Department for Education and Skills (DfES)⁹¹ international strategy (2004), and the launch of the second edition of the Prime Minister's Initiative in 2006 were key stages in the developing of a UK government policy in this area.

5.2.1 Prime Minister's Initiative for International Education

Launched in April 2006, the Prime Minister's Initiative for International Education (PMI2) is a five-year strategy which will build on the success of the first PMI to secure the position of the United Kingdom as a leader in international education and sustain the managed growth of UK international education delivered both 'at home' and overseas. The first PMI's success clearly showed the value of integrating the activities and resources of the Government, education institutions from all sectors, and the British Council to position UK education overseas.

The PMI2 sets out four interconnected strands:

- i) UK positioning: marketing and communications
- ii) Ensuring the quality of the student experience
- iii) Strategic partnerships and alliances
- iv) Market diversification and consolidation

The Initiative explicitly addresses transnational education through the 'strategic alliance and partnerships' strand, with a target to achieve significant growth in the number of partnerships between the UK and other countries by 2011. Through the PMI, all the partner agencies⁹² will work with governments, education providers and industry in identified countries to build co-operation links and partnerships. At institutional level the PMI2 Connect scheme has made available funding opportunities to a total value of £8 million (approx. € 11.1 million) over four years. Grants are available for higher education and further education sectors to encourage the building of strong sustainable international partnerships. PMI2 Connect higher education funding opportunities include research co-operation, collaborative programme delivery, international mobility of UK students, and partnership development grants.

⁹¹ In June 2007 the Department for Education and Skills was split in two new departments: the Department for Children, Schools and Families and the Department for Innovation, Universities and Skills.

⁹² Partners involved in delivering the PMI2 are: the Department for Innovation, Universities and Skills (DIUS), British Council, the Scottish Executive, the Welsh Assembly, the Department for Employment and Learning Northern Ireland, UKvisas (a joint Home Office and Foreign and Commonwealth Office unit), the Higher Education Funding Council for England (HEFCE), Universities UK, GuildHE (promoter of UK higher education colleges), the Learning and Skills Council, the Association of Colleges (AoC), English UK, the Home Office, UK Trade and Investment (UKTI), and the UKCISA: The UK Council for International Student Affairs.

Furthermore, at government and policy level, PMI2 will bring together relevant parties to engage pro-actively and collaboratively in addressing significant global education challenges through a series of policy dialogues. PMI2 priority countries include large established markets (India and China) and a mixture of mature and emerging markets: Korea, Malaysia, Singapore, Taiwan, Japan, Indonesia, Thailand, Pakistan, Bangladesh, Sri Lanka, Nigeria, Ghana, Middle East, and Vietnam.

Two government programmes and other support

The UK Government and the British Council have invested in two programmes - *UK India Education Research Initiative* (UKIERI) and *British Degrees in Russia Project* (BRIDGE) – both of which are based on the development of joint programmes as opposed to simply “exporting UK degrees”. For UKIERI, the UK has pledged £12 million (approx. € 16.6 million) through contributions by key government departments and the British Council. The private sector has also contributed £4 million (approx. € 5.5 million) with the Indian Government matching funding for science related collaboration. One of the aims of the programme is to have, by 2011, created 40 new UK award programmes delivered collaboratively in India, with 2 000 Indian students enrolled. The BRIDGE Initiative funded through the Department for Education and Skills (now Department for Innovation, Universities and Skills (DIUS)) and managed by the British Council started in July 2003 and aims to increase collaborative working between UK and Russian universities, leading to the development of dual degrees. There are a total of 35 active BRIDGE partnerships, including masters programmes, undergraduate awards, and continuing professional development programmes.

With both BRIDGE and UKIERI the aim has been to change the nature of the relationship between the UK and Russia and India. It recognises that partnerships need to be of mutual benefit to be sustainable in the long term. Ensuring high quality of delivery is critically important to the UK. Every time a course is perceived as poor quality it damages the UK brand: initiatives like Bridge and UKIERI help to develop mutual understanding and recognition of quality assurance issues across both countries.

The British Council is currently reviewing the support it provides to UK transnational education providers, with the aim of formalising services across the major markets for UK cross-border education. Current support involves helping UK institutions in setting up and developing partnerships, limited marketing support in-country, and providing market research on opportunities for UK transnational education. A pilot project in Malaysia is currently developing an expanded range of services, with the aim of rolling these out to other major markets in the South-East Asia region and beyond.

Quality assurance

There is no national legislation specifically covering transnational education: UK universities are free to deliver programmes however and wherever they choose. Each higher education institution is responsible for ensuring that appropriate standards are being achieved and a good quality education is being offered. The UK Quality Assurance Agency (QAA) sets and monitors standards for this purpose. There are over 145 higher education institutions in the UK that are permitted to award a wide variety of degrees to suit most educational aspirations, and it is estimated that 65 percent of these offer transnational education programmes (Drew et al. 2008). All institutions have degree awarding powers recognised by the UK authorities (UK and Scottish Parliament, Welsh and Northern Ireland Assemblies). Although the programmes are delivered in different ways, all UK universities must however ensure that the academic standards of transnational education programmes are the same as those for programmes delivered in the UK. All UK universities have procedures and structures in place

to ensure the quality of the programmes and it can take years of development before an academic department obtains approval to deliver outside of the UK.

The UK Quality Assurance Agency is responsible for safeguarding the public interest in sound standards of higher education qualifications, and to encourage continuous improvement in the management of the quality of higher education. The QAA achieves this by reviewing standards and quality, and providing reference points that help define and explicit standards. The QAA has developed specific and extensive guidelines to help institutions ensure that all programmes delivered abroad meet the same quality standards as programmes on offer in the UK. They cover the following areas:

- the design of the courses and how institutions ensure learning objectives are met
- the maintenance of academic standards with specific attention to how the distance learning or other flexible delivery modes are dealt with
- the management of programme delivery including the selection and monitoring of local agents/representatives, tutors and teaching staff
- the availability of student support and processes to monitor student achievement
- the clarity of information provided to students before and during their studies
- methods of assessment and relevance to the course of study and how the assessment process is managed.

The QAA also undertakes audits to ensure that UK universities are carrying out their responsibilities properly. The overseas audit reports are available from the QAA website www.qaa.ac.uk.

In response to the rapidly changing markets and demands from governments, students and providers, the QAA has recently proposed a new Transnational Certification Scheme, which will provide public recognition by QAA that any programme of study and related award offered by a UK higher education institution can command the confidence of prospective and registered students and other interested parties. It is proposed that certification will confirm that a UK institution is managing its transnational education programmes in a way which secures proper and effective control over the academic quality, and that the UK institution's quality assurance processes meet UK national expectations. Certification would be voluntary and would cover the quality management of all transnational education activities of an institution. It is not certain, whether this approach will be adopted, but the proposal indicates a recognition that a new approach is needed in order to meet the regulation expectations of overseas governments and to respond to the growing demand for a UK 'label' from widely respected organisations, to be used with governments, students and employers. This approach is also in line with OECD and UNESCO guidelines on the quality assurance of transnational education⁹³.

5.3 Overall assessment of the current offer

5.3.1 Challenges in the data and the major transnational education markets

Whilst there are no definitive figures in the United Kingdom on students enrolled in transnational education programmes (it has been an optional data return for the statistical collection from the Higher Education Statistics Agency – HESA since 2002/03), several surveys have been conducted in the last couple of years. The first systematic survey of UK transnational education student numbers was conducted by Bennell and Pearce (1997). Drawing on this and earlier studies conducted by the Council of Validating Universities in

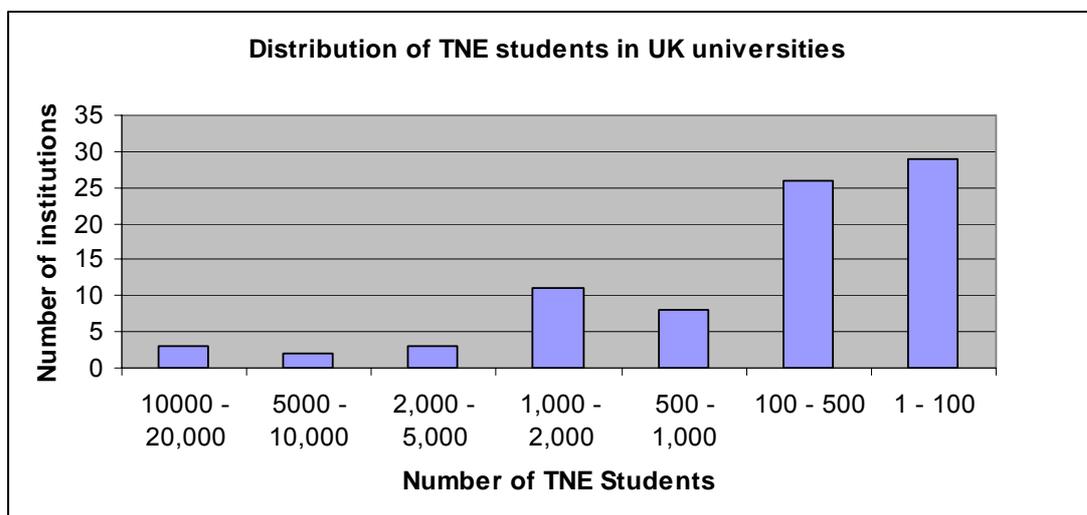
⁹³ UNESCO, OECD, *Guidelines for Quality Provision in Cross-border Higher Education*, 2005.

their annual data collection and UKCOSA (1996), Bennell and Pearce estimated that there were 140 000 students on UK transnational education programmes in academic year 1996/97. HESA have collected data on UK transnational education students on a voluntary basis since 2002/03. Since then, approximately half of UK universities (86 institutions) have returned data to HESA on students studying for the whole of their course overseas. An analysis of these returns suggests that they represent only around 25 percent of the total number of students in British transnational education programmes⁹⁴. HESA plans to make this data collection mandatory from the 2007/08 academic year.

It is worth noting that the distribution of transnational education students among UK higher education institutions is uneven and fragmented. It can be characterised as a pattern in which many UK institutions have small amounts of transnational education provision and a small number of institutions have huge scale transnational education activity. Many of the large scale providers are missing from the HESA data, and this is the reason for the large discrepancy between the HESA figures and the country-by-country analysis below. One UK provider who has not returned data to HESA has one programme with over 100 000 students registered for a UK degree, and several other institutions with other very large scale provision have not reported these students to HESA. Finally, there is the issue of students on articulation programmes, which are not counted by HESA but which are included in the country-by-country analysis. Articulation students account for more than 50 percent of the total in some markets.

Chart 4 below shows the distribution of students in transnational education at the 50 percent of UK higher education institutions who supplied HESA with data in 2005/06. This chart illustrates the predominance of small scale activity, with just over 50 institutions having less than 1,000 students in transnational education, compared with five institution which enrol more than 5,000 students on transnational education programmes⁹⁵.

Chart 4: Distribution of students in transnational education in UK universities



The headline figure of international students enrolled on UK degrees delivered overseas in 2005/06 is 246 000. This is an estimate made by the British Council in August 2007. Data

⁹⁴ For a full analysis of the early HESA data see Garrett (2004) and Garrett and Verbik (2004) - Transnational Delivery by UK Higher Education, parts 1 & 2, published by the Observatory on Borderless Higher Education, London (www.obhe.ac.uk).

⁹⁵ Includes the Open University, but excludes University of London External programme

was sourced from a survey of British Council offices in key markets⁹⁶, which were able to provide data on the number of programmes offered by UK institutions. HESA data, although incomplete, broadly confirms those figures. London External programme and Open University – two distance learning institutions in the UK – provide their student numbers separately. The British Council estimate of 246 000 students is based on the analysis of the different data sources, as shown by the table below:

Table 5: Number of students (rounded to the nearest hundred) (figures revised in August 2007)

	<i>HESA</i>	<i>Estimate for all other HEIs</i>	<i>Open University*</i>	<i>London External*</i>	<i>Total</i>
<i>2002/03</i>	48,700	102,300	21,600	32,400	204,900
<i>2003/04</i>	51,100	107,300	19,700	30,800	208,900
<i>2004/05</i>	56,300	118,000	21,300	30,800	226,000
<i>2005/06</i>	64,800	135,000	16,000	30,800	246,600
<i>Annual %change 03/04</i>	+5%	+5%	-9%	-5%	+2%
<i>Annual %change 04/05</i>	+10%	+10%	+8.3%	N/A	+8%
<i>Annual %change 05/06</i>	+15%	+15%	+8.3%	N/A	+8%

* *London External and Open University figures are only for students outside the UK (i.e. for authentic transnational education students).*

Key assumptions in the calculations are the following:

- i) The growth rate in the HESA data represents genuine growth (rather than change in how transnational education students are classified), and this growth rate is replicated in all other HEIs.
- ii) Those institutions who respond to HESA are a representative sample of all HEIs.
- iii) HESA returns represent an undercount. This is based on country-by-country analysis (summarised below) which suggest that there are many times more students on UK transnational education programmes in key markets than the HESA numbers suggest.

The Department for Industry, Universities and Skills (DIUS) is also conducting a study on the extent of UK transnational education delivery, *Transnational Activity of Higher Education:*

⁹⁶ British Council offices in 20 key markets for UK transnational education supplied data on the number of UK programmes available in 2005. More recent data was also provided from Malaysia, Singapore and Hong Kong.

Exploring patterns of HE institutional activity (Drew et al. *forthcoming* 2008). The main aim of this project is to identify the scale and patterns of current and planned transnational education offered by UK higher education institutions.

5.3.2 The main transnational education markets

In 2003, five Asian countries (China, India, Malaysia, Hong Kong, Singapore) made up 58 percent of the transnational education activity of the UK institutions and it is predicted that those countries will account for 65 percent of global demand by 2020 (Vision 2020). The following are some examples of the number of UK programmes delivered transnationally:

- In 2006, the Quality Assurance Agency audited UK provision in China and suggested that nearly 11 000 Chinese students were studying UK transnational education programmes (QAA 2006). It is estimated that the number of students in China pursuing British transnational education programmes will approach 35 000, i.e. to triplicate from current figures, by 2010 (Vision 2020).
- In Singapore, the British Council holds data on 148 transnational education courses provided by British education providers⁹⁷. It is estimated that 40 000 to 50 000 students are currently enrolled on UK transnational education in Singapore
- Malaysia currently has about 32 000 students involved in 247 British transnational education programmes⁹⁸ (research conducted for the British Council by activeMINDS Consulting in 2006), and India about 15 000. These, again, are only estimates because it is difficult to provide an accurate assessment of the full picture.
- Hong Kong, as of May 2007, had an incredible 628 UK courses registered or exempted from registration (Hong Kong Education & Manpower Bureau). The British Council estimates from these data that there are about 47 000 students currently enrolled on UK programmes in Hong Kong.

Together with India and Russia these four form the group of the 'Big 6' of UK transnational education markets, with each over 10 000 students. Other large markets (most of which have over 1 000 students) are the Middle East (Israel, Saudi Arabia, Oman, United Arab Emirates and Egypt), the Americas (USA, Canada and the Caribbean), and others such as Sri Lanka, Central Asia, and Central Europe. Some of these countries are dominated by one UK institution. For example the majority of the students in transnational education in Israel are on University of Derby programmes, the Open University dominates the UK provision in Russia, and University of London External has large numbers of students in the Caribbean (particularly Trinidad & Tobago). Demand from Sub-Saharan Africa is predicted to grow significantly, although from a much smaller base, to 23 000 in 2020 (Vision 2020). It is interesting to note that over 180 countries around the world have at least one student studying a UK transnational education programme (including distance education).

5.3.3 Main models of delivery

There are many different models of transnational education delivery adopted by UK providers. The reasons for universities' choice of models are varied but the common perception is that no one size fits all. The predominance of a model may relate to the university mission, the geographical areas where it operates, financial imperatives or to the

⁹⁷ See <http://www.educationuk.org.sg/> - UK qualifications in Singapore - search.

⁹⁸ See www.educationuk.org.my/ UK qualifications in Malaysia - search

perceived acceptability of models in relation to quality. We can also see how demand for different models of delivery is changing as competition increases. For example distance learning and “flying faculty” programmes have traditionally been a major part of the UK’s transnational education offer – particularly in East Asia. These programmes have usually been at the postgraduate level where students are typically mature and are seeking part-time professional development programmes that allow them to study and work at the same time. Although still popular, the cost of sending out UK staff to teach makes these programmes increasingly “non competitive” as part-time local provision becomes more extensive. In addition to this, international campuses also provide a competitive threat, offering international qualifications, excellent facilities, and reputable local and international faculty.

UK institutions have taken limited steps to set up overseas campuses. While overseas campuses present a significant opportunity, they also present a significant risk and are a major financial and resource draining undertaking. The University of Nottingham has campuses in Malaysia and China, and Westminster, Liverpool, Middlesex and Heriot-Watt universities have also invested in overseas campuses. Overseas campuses are often developed in collaboration with a financial partner, rather than another higher education institution.

Joint awards, dual degrees and combined models are becoming one of the dominant models of transnational education delivery. As higher education capacity grows internationally, there is less need to “import” qualifications from foreign providers. Joint and dual awards provide a way of providing mutual recognition of systems and academic input leading to a more collaborative, or international award with high relevance in the global marketplace.

5.3.4 A brief history of the expansion of UK transnational education

The UK has a long history of delivering education transnationally. As one of the early developers of large scale distance learning programmes – the University of London External Programme has been operating internationally since 1858 – the UK has been well positioned to offer courses to students in many countries outside of the United Kingdom.

The introduction of full fees by the British Government for international students in the early 1980s brought about a more business-like culture in relation to international education. Since then, UK higher education institutions have developed a stronger, more entrepreneurial approach and have adapted well to change by taking advantage of new opportunities. For example many of the UK twinning programmes in Malaysia stem from UK providers responding to changes in government policy in the 1980s and the Asian currency crisis in the 1990s. A significant reduction in government scholarships (from Malaysia) and economic changes meant that for many of the large numbers of Malaysians who had traditionally come to the UK to study this was no longer a real possibility. Delivering more programmes in Malaysia, which allowed for a shorter period of study time in the UK (typically one or two years) provided an effective solution to this challenge and enabled Malaysians to continue to have access to British programmes. At the same time it enabled UK providers to maintain their strong relationships with Malaysia.

Since the late 1990s a “third phase” of transnational education has emerged. There has been unprecedented growth in transnational education instigated by the drive of overseas governments to develop knowledge economies (*Vision 2020*). The consequence of this is a rapidly changing and far more competitive environment for transnational education. As part of this development, new models are emerging. There has been a significant expansion of overseas campuses as leading international universities are enticed by favourable conditions. The University of Nottingham Malaysia campus is a good example of branch campuses. There is also a renewed focus on transnational education among research universities as universities look for mutually beneficial opportunities to increase both their

brand profile and research capabilities. Furthermore, the private sector is playing an increasingly important role in higher education provision, too: it is arguably the private sector which will make the biggest difference in terms of significantly increasing the number of education places globally.

British transnational education is now entering a new phase. What distinguishes this 'fourth phase' is the development of a more flexible market in which many more students are able to access part of their foreign education locally. In addition, countries such as Malaysia and Singapore are increasingly seeking to attract overseas institutions offering transnational education as a way of meeting their own targets for international student numbers. Other countries, such as Vietnam and Indonesia, are also looking at replicating this model.

Models of delivery are also likely to change. While nearly half of all current provision falls into the franchise or validation categories⁹⁹ developments in host countries will have an important impact on this. In Malaysia, many private institutions which have been offering a large range of transnational education programmes have been awarded University College status and are now able to award their own degrees. This means they will be looking to renegotiate their agreements with UK and other overseas partners. China and India have both indicated that they are unlikely to recognise new franchises as they are seeking to develop more collaborative partnerships, a stance which is mirrored by the objectives of the Prime Minister's Initiative 2. Drew et al.¹⁰⁰ identified that transnational education was increasingly being seen as a significant priority institutionally, the most commonly identified reasons for institutional engagement with transnational education were to enhance the internationalisation of the institution and finance. There is also likely to be an increase in articulation agreements, which are perhaps best defined as a recruitment tool.

Singapore has a target to attract 150 000 international students by 2012, and the Singapore government's explicit inclusion of transnational education within this policy means that the outlook for UK education in Singapore remains strong. In other words, in order to facilitate its growth as an international education destination and to meet the international enrolment targets, the Singapore government is looking at transnational education provision. Many of the 150 000 international students to be recruited within the next five years are expected to be recruited to locally delivered UK programmes. For example the Management Development Institute of Singapore, which affiliated to several UK institutions, has currently 2 500 students from China, India, Indonesia, Thailand and Vietnam.

Malaysia has a target to attract 100 000 international students by 2010 (from 40 000 in 2006). The country is targeting Kenya and Ghana, as well as scholarship students from Kazakhstan and Saudi Arabia, while traditional markets such as Indonesia and China will continue to be growth markets. Other important markets for Malaysia are the Indian subcontinent, Yemen, Iran and Thailand¹⁰¹.

The size of the market in Hong Kong has already been mentioned. Cheung¹⁰² is reflecting the liberal attitude of the Hong Kong Council for Academic Accreditation when he makes the

⁹⁹ Drew, S., McCaig, C., Marsden, D., Haughton, P., McBride, J., McBride, D., Willis, B., Wolstenholme, C., *Transnational Activity of Higher Education: Exploring patterns of HE institutional activity*, Sheffield Hallam University: 2008 (forthcoming).

¹⁰⁰ Drew, S., Tang, N., Poole, G., and Willis, B., *Transnational Education – UK Higher Education Institutions Response to Increasing Global Demand*, British Council, Manchester: 2006 (forthcoming, will be available from the British Council's website).

¹⁰¹ Source: *All out to attract foreign students* interview with Malaysian Higher Education Minister, reported in The Star online:

<http://thestar.com.my/education/story.asp?file=/2006/9/3/education/15268774>

¹⁰² Cheung, P. *Filleting the Transnational Education Steak*, *Quality in Higher Education*, Vol. 12, N° 3, 2006.

point that transnational education is not to be feared and that it allows diversity and flexibility in higher education offer. However, there are alternative views. For the implications of transnational education from the perspective of developing countries see *Higher Education as a Global Commodity: The Perils and Promises for Developing Countries*¹⁰³.

Australia is the single largest competitor to the UK for transnational education students in South East Asia. Research commissioned by the British Council¹⁰⁴ puts the UK market share of transnational education programmes in Malaysia at 40 percent. Australia has 30 percent and 9 percent is delivered by other countries. The remaining 21 percent of programmes are what are termed as “multiple pathway”. These are defined as pathway programmes with progression not restricted to a single overseas partner. Of these, the USA dominates with 55 percent of provision. Multiple pathway courses have grown from 1 in 5 of all programmes to 1 in 4 since 2006. This research indicates that local Malaysian institutions are increasingly recruiting students to their institutions without a clearly defined awarding partner. It is interesting to note that the USA has a very small profile in direct transnational provision in Malaysia. These findings add additional evidence to a trend which is also identified in other research (for example on student decision making, discussed later in this chapter) towards local institutions playing an increasingly important role in how transnational education is delivered and importantly how it is perceived. This is an important shift identified in both Malaysia and Singapore, and would call for further study.

5.4 Drivers and motivations of UK institutions to engage in transnational education

British Council commissioned research in 2006¹⁰⁵ to look at the motivations of the UK sector in delivering transnational education. The research revealed that all UK higher education providers have a strong interest in and are engaged to some extent with transnational education. According to the findings, the main motivation for UK universities to undertake transnational education is **internationalisation**. Jane Knight¹⁰⁶ defines internationalisation as “the process of integrating an international/inter cultural dimension into the teaching, research and service functions of the institution”. The study also found that much of the transnational education provision from the UK has developed at the university department or faculty level and often quite opportunistically. This finding is consistent with earlier analysis by the Observatory of Borderless Higher Education OBHE¹⁰⁷ and with Costello’s analysis of decision making and support structures for Council of Validating Universities¹⁰⁸. As universities look more strategically at their international engagement, rationalisation of transnational education provision is occurring in some institutions and being scaled up in others. There is also an increase in central administration or department level engagement in transnational education as institutions tighten up on quality controls and try to ensure a better

¹⁰³ Naidoo, R., *Higher Education as a Global Commodity: The perils and Promises for Developing Countries*: 2007, available from www.obhe.ac.uk

¹⁰⁴ ActiveMINDS consulting, *Current provision and Perceptions in Malaysia on Transnational Education*: 2006. Research conducted for the British Council, Malaysia, available from the British Council.

¹⁰⁵ Tang, N. and Nollent, A., *UK-China-Hong Kong Transnational Education*, British Council, Manchester: 2007. Forthcoming, available from the British Council’s website from 5 July 2007, www.britishcouncil.org/eumd-pmi.htm

¹⁰⁶ Knight, J., *Updating the definition of Higher Education*, International Higher Education Fall 2003, Centre for International Higher Education, Boston: 2003.

¹⁰⁷ Garrett, R. and Verbik, L., *Transnational Delivery by UK Higher Education, part 1: data & missing data*, OBHE: 2004 and Garrett, R., *Transnational Delivery by UK Higher Education, part 2: Innovation & competitive advantage*, OBHE: 2004. Available from www.obhe.ac.uk

¹⁰⁸ Costello, J., *Collaborative Provision: Decision making and Support Structures*, Council of Validating Universities publication: 2006. Available from CVU (www.cvu.ac.uk)

“strategic fit” of all activities. This trend is consistent with wider changes within the UK education sector: universities are moving away from international strategies defined through student recruitment to something far broader encompassing teaching and research partnerships, and ensuring that UK students also have exposure to an international dimension in their education. Transnational education is one part of this broader international remit.

The British Council research also highlighted differences between different types of institution. For research led universities, the prime motivation for undertaking cross-border education activity is to build **research links**. This in turn strengthens the universities’ brands, increases the number of world class academics, and enhances the diversity of the student body – all leading to greater international profile as well as faster growth and financial benefits. For other universities, the **student focus** is a more significant driver and can be formulated as enabling more students to benefit from higher education, widening participation, and exposing students to an international experience.

Financial issues are also important for UK universities as the international arena becomes more volatile. Since the academic year 2003/04, most UK universities have seen more modest growth in terms of incoming international student numbers. Vastly increased domestic provision, including transnational education, in many of the UK’s major source countries has played an important role – particularly in countries like China. International students now expect, and have, more flexibility. The length of time spent in the UK by international students has decreased substantially with more and more students choosing to come for just one or two years of study. The implication for most UK providers is that some programme delivery abroad is essential to ensure continued flows of international students to UK campuses.

5.5 Who are transnational education students?

In 2004 and 2005 the British Council commissioned JWT Education (2005, 2006) to undertake an extensive market research study to better understand this rapidly growing market and the significant potential it represents for UK providers. Up to this point there had only been very limited research undertaken to understand the motivations and key decision making factors for students pursuing British transnational education programmes. This research set out to provide a detailed profile of the target audience: age, employment, income, funding, previous experience and expectations, and to understand why students choose a transnational education programmes (versus studying for a local qualification or studying abroad). The study looked also into perceptions and importance of the country the qualification is from, identified the key decision-making factors used in the selection of transnational education programmes, and considered the importance of terminology in the promotion of transnational education programmes as well as the key information sources used by students. The study involved both qualitative and quantitative work. The qualitative phase was conducted in the five key markets for the UK, namely Singapore, Malaysia, Hong Kong, India and China, and comprised of individual and group interviews conducted across a range of target audiences including students, their influences e.g. parents, as well as other key stakeholders such as local partners, agents, employers and governments. The quantitative phase involved interviews with over 1 700 students studying in four of the key markets.

The research revealed some interesting findings as presented in the following paragraphs. Probably one of the most significant findings was to realise just how diverse and complex this sector is. Aside from the fact that hardly anyone interviewed had ever heard of the term “transnational education”, or transnational education, there is incredible diversity in each aspects of provision: the modes of delivery, the influence of the UK institution granting the

qualification, the experience of the students and the perceptions of the different stakeholders. All these have implications on the provision. For example, two students undertaking a degree from the same UK institution in the same market could be having vastly different experiences in terms of the quality of the local partner providing some, if not all of the tuition, the quality of that tuition and their exposure to the UK institution granting the degree, and yet both students will graduate with the same qualification. This has clear implications to the UK's brand and more significantly the brand of the individual institution. In fact, in some interviews students actually commented at their surprise that any leading university would allow such diversity in the delivery of its courses and choice of partners.

In attempting to better understand who pursues transnational education programmes we attempted to segment the market. It was evident from the research that the market can be divided into three main groups of students: undergraduates, postgraduates, and third country students. For undergraduates this segment comprises of three main sub-segments: students who could not get a place at a local university; those who could not afford to study overseas, and those who did not want to go overseas to study. Many of these students want to obtain a foreign qualification which is affordable. The prominence of these factors changes however by country. For example in a mature market like Singapore students pursuing undergraduate transnational education degrees are doing so either because they could not get into one of the local universities, which for most is their first choice, or because they cannot afford or choose not to study overseas (most of these students complete their whole undergraduate degree in Singapore). For them transnational education is either their second or third choice. This is in contrast to other markets, e.g. Malaysia, where transnational education is many students' first choice and where many of them plan to complete only the first one or two years of their degree in Malaysia and the balance in the UK. An obvious consequence of this is that perceptions about the quality of transnational education vary significantly with some students considering it to be as good, if not better, than a local university and others ranking it third – with a local university and an overseas university in selected countries both being considered more desirable options.

The postgraduate group of students typically tend to be over 30 and are looking, like most postgraduates everywhere in the world, to enhance their career opportunities through postgraduate study. Similarly, they also seem to comprise of three sub-segments: a group who want to pursue a highly specialised qualification which is not available at their local university; a group who want to pursue part-time postgraduate study – this audience are typically working full time and part time study is not available at their local universities; and a group who are looking for something that is a little bit different – a qualification that will give them a competitive edge in the marketplace - and they feel that a foreign qualification may do that.

Lastly is the group of third country students – students pursuing a UK transnational education qualification but not in their home country but rather in a third country, usually in their region. This group currently tend to be mainly in Singapore and Malaysia. These students want a UK qualification but for a variety of reasons, usually cost, safety or proximity, want to study somewhere other than the UK.

Most (59%) of the students were studying undergraduate programmes, though there were some major differences between markets. Nearly all transnational education students in Singapore were pursuing undergraduate programmes, in contrast to Hong Kong where most were studying at the postgraduate level, again highlighting the significant differences between markets – at least currently. Interestingly, most of the students were attending classes at a local institution (82%). While this maybe supplemented by online delivery and distance learning material, it shows that still most transnational education students appear to be receiving some form of class-room tuition. Furthermore, a strong preference for at least some face-to-face tuition was evident in the research, with almost no students indicating a

desire to undertake an exclusively online transnational education qualification. This may well change in the future as access to the internet improves and the target audiences' familiarity and comfort with it grows.

The importance of the UK institution's reputation in influencing a student's choice of transnational education programme seemed to vary between markets. While, obviously, important to all students to some degree, it was much more important to students in Malaysia and Singapore than it was to students in Hong Kong and China. In Singapore the reputation of the *local* partner institution was very important to students, to the degree that students were willing to pay a premium to go to what they considered to be a better local institution, even though they would graduate with the same qualification (some UK institutions work with a number of different local providers in the same country). This was not nearly as important to students in the other markets. Ultimately for students in both Malaysia and China obtaining a UK qualification seemed to be very important to them, with 75 percent and 95 percent respectively of students from these countries saying that they intended to go onto study in the UK. Given the importance that transnational education students attach to both obtaining a UK qualification and a qualification from a reputable institution, it will be increasingly important for the Education UK brand to target also these audiences and for individual institutions to effectively manage the promotion and delivery of their brands to these student groups.

5.6 Future developments

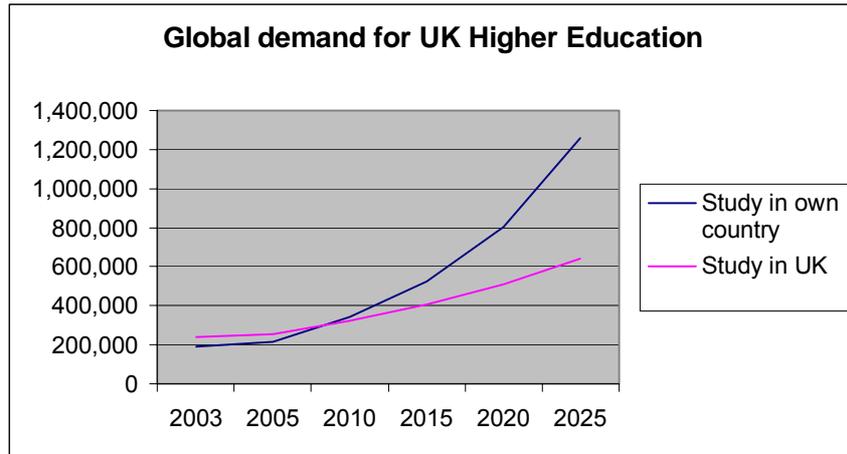
UK interest and engagement in transnational education will continue for the foreseeable future. However, the models and drivers for UK engagement are likely to change. Things have already started to move substantially, with the increasing number of overseas campuses and new models of delivery from the private sector. The emerging world of transnational education also seems to depend far more on partnerships: between institutions, with the private sector and with foreign governments. Local partners are developing regional or even global brands, and the nature of the relationships with their UK partners is therefore also changing. In this context, reliable quality assurance systems will be of ever increasing importance and the UK QAA and other agencies will need to respond to these demands.

The students now have many more choice than before, and their motivations are more complex. Many international students are attracted to UK degree education in a third country, either as a stepping stone to further study in the UK or with the desire to take a full degree in the host country. In their study on UK-China-Hong Kong transnational education, Tang & Nollent¹⁰⁹ make the recommendation that transnational education must be of benefit to both sides as well as to the students.

Within the UK, there has been a shift towards a more strategic view of internationalisation – this can be seen across institutions, government and agencies. This is an important change for the UK and recognises that the environment for international education is becoming more complex and that a strategic approach is central to ensure the future competitiveness UK higher education. The publication of the *Vision 2020* report in 2003 highlighted the number of UK transnational education students at the time, and predicted huge growth, with demand for UK transnational education expected to outstrip demand for study in the UK by 2010.

¹⁰⁹ Tang, N. and Nollent, A., *UK-China-Hong Kong Transnational Education*, British Council, Manchester: 2007. Forthcoming, available from the British Council's website, www.britishcouncil.org/eumd-pmi.htm

Chart 5: Global demand for UK Higher Education



Source: Vision 2020 (2003)

Although the predicted growth in demand for UK transnational education seems to have been accurate, the validity of two of the key assumptions in Vision 2020 now need to be questioned. The first was that growth in demand for transnational education and study in the UK were not interdependent – that in effect there were two separate markets. The second was an assumption that demand would come from nationals of the country in which the transnational education study was undertaken. A new study has been commissioned by the British Council to revisit the Vision 2020 report and provide a new forecasting model for UK international student recruitment including transnational education activities.

6 Transnational education in the US and Australia¹¹⁰

The USA and Australia are, next to the UK, the uncontested and most important players on the global transnational education scene. However, speaking about countries rather than institutions when it comes to education provision, will sometimes not allow being sufficiently precise on extent and rationales. To add more depth to the analysis, a differentiation between the following categories has been made:

- i) US education companies (for-profit private operators);
- ii) US universities (private and public);
- iii) Australian universities.

This division allows distinguishing between market-driven campus operators and fee-based US universities, which generate income as a necessary part of operational funding. Furthermore, there are no major private campus operators (“companies”) in Australia. It would thus be wrong to ignore the variation in the composition of education providers in the US and Australia.

6.1 Understanding of the term

“Transnational education” is a term used by UNESCO and the Council of Europe in their ‘Code of Practice in Transnational Education’. The term is used to describe all types of higher education where the students are located in a country different from the one where the awarding institution is based¹¹¹. In order to understand the term within the country context, it is important to point out that in Australia the term ‘transnational education’ was already being used in the early nineties, which makes the country an operational and terminological pioneer. The term was used to tell apart international students on Australian campuses *onshore* (‘international education’) from those studying for Australian degrees *offshore* (‘transnational education’). In fact, the criterion applied was the geographic aspect of enrolment. The term does not take into account the mode of delivery (twinning or online programmes, branch campus operations, etc.). It does, however, not comprise distance education, as is stated in the ‘Transnational Quality Strategy’ from 2005 (see Ministers for Education and Training). Connelly rightly sees that this is “putting Australia out of step with the rest of the world and creating potential loopholes”¹¹², as the full potential of distance education can only be reached if it considered as an integral part of transnational education offer.

For the US, it is more difficult to elicit a general understanding of the term ‘transnational education’ as there are no national stances or strategies on transnational education. Historically, the terms ‘transnational’, ‘borderless’, or ‘cross-border education’ are more blurred, as are the operational modes. One imminent difference between the US and Australia is however that US terminology usually includes distance education. Another important difference, especially for the scope of this study, is that the term includes offshore programmes and campuses which were primarily geared at Americans studying abroad¹¹³.

¹¹⁰ This report was produced by Chripa Kizhakeparampil from the Academic Cooperation Association.

¹¹¹ UNESCO and Council of Europe, *The UNESCO-CEPES/Council of Europe Code of Good Practice for the Provision of Transnational Education*, UNESCO, Paris: 2001.

¹¹² Connelly, S., Garton, J. & Olsen, A., *Models and Types: Guidelines for Good Practice in Transnational Education*, The Observatory on Borderless Higher Education: 2006.

¹¹³ Altbach: 2003, in: Vossensteyn et al., *Offshore education*, Utrecht: 2007.

6.1.1 Status and extent of cross-border operations

The first US transnational education engagements were launched more than 50 years ago. However, these first offshore programmes were intended for American students studying abroad. A well-known example of such operations is the Johns Hopkins University in Italy, which opened in 1955. According to the OECD¹¹⁴, there are currently about 225 offshore programmes by institutions in the United States. The figure excludes programmes of the above-mentioned private education companies. To get an idea of the extent of US cross-border provision, it is important to know that there are almost 4 000 accredited degree-granting higher education institutions in the US, two thirds of which are private¹¹⁵. Thus the number of institutions involved in transnational education provision accounts for a very modest share of the total of US institutions. Berquist places the number of institutions involved in transnational education at around 50¹¹⁶.

Universities that offer transnational education programmes are mostly major universities (in terms of size and reputation), rather than smaller and indeed more common ones. Furthermore, a closer look shows that public universities tend to be less offshore-oriented than private ones¹¹⁷. US universities' operations spread across the globe. Among the most important destination countries are China, South Korea, Vietnam, the Middle East, and Turkey¹¹⁸. However, there is no continent where transnational education activities of US institutions are not to be found, yet. Contrary to Australian institutions, the US operations are not concentrated on their neighbouring countries, i.e. there is no "regional focus" in US transnational education. Of late, there has been a trend towards increased engagement in the Gulf region, as well as creation of joint initiatives in China and India¹¹⁹.

Australia's transnational education engagement is equally far-reaching, especially in the Asia-Pacific region, which is precisely where the majority of the international student body on Australian (onshore) campuses comes from. The regional approach is thus more apparent than in the US (see also chapter 3 on countries of operation). Looking at recent developments in Australian offshore operations, there has been a steady increase in all modes of operation. There is also a trend towards blended learning, i.e. inclusion of both face-to-face and online learning modules.

One model that has been particularly popular in both the US and Australia is the establishment of branch campuses. According to the October 2006 report by the Observatory of Borderless Higher Education (OBHE)¹²⁰, the US and Australia are the two largest operators of international branch campuses, accounting for 50 percent and 12 percent of all registered activities respectively. However, both Australian and US universities are actively operating all modes of transnational education delivery. The main difference between the two is that offshore programmes were never primarily intended for their own national student body.

¹¹⁴ OECD, *Internationalisation and Trade in Higher Education. Opportunities and Challenges*, OECD, Paris: 2004.

¹¹⁵ *Ibid.*

¹¹⁶ Berquist, B., *Development of Transnational Education Programs from a US Perspective*, Paper presented at The Australian International Education Conference, 10-13 October 2006.

¹¹⁷ Vossensteyn et al., *Offshore education*, Utrecht: 2007.

¹¹⁸ Berquist, B., *Development of Transnational Education Programs from a US Perspective*, October 2006.

¹¹⁹ OECD, *Internationalisation and Trade in Higher Education. Opportunities and Challenges*, OECD, Paris: 2004.

¹²⁰ Verbik, L. and Merkely, C., *The International Branch Campus – Models and Trends*, The Observatory on Borderless Higher Education: 2006.

Major institutions active in the field

US universities that are actively involved in transnational education include Webster University, Carnegie Mellon, Cornell University, Texas A&M¹²¹, Western Michigan University and Troy University Alabama. It should be pointed out that we are not talking about the rank and file of American universities, but about a rather distinguished group of institutions. Some major private campus operators or education companies active in the US include Laureate Education Inc. (before 2004 known as Sylvan Learning Inc.), Apollo Group Inc. (Owner of Phoenix University), De Vry Inc. and the Career Education Group. Laureate Education Inc. currently operates around 60 campuses, and two major online institutions. Its 2003 revenue was US\$ 473 million.

In Australia, some of the main offshore-oriented universities include the Royal Melbourne Institute of Technology (RMIT) in Vietnam, Monash University (in Malaysia and South Africa), Latrobe, the University of Technology Sydney and Curtin University (all in Malaysia). If this list was to be continued, it would boil down to the fact that offshore education is a mass phenomenon in Australian higher education. Distance education, even though not explicitly defined as transnational education in Australia, is also highly common among Australian universities, and often caters for large number of international students.

Studies on transnational education – an overview of main findings

As in any education-related matter, there is no universal international approach on collecting data on transnational education. The most common denominator across the board is that there is no systematised national data collection at all. This is especially true for the US. However, there are comprehensive sources such as the OECD (e.g. “Internationalisation and Trade” (2004) and “Education at a glance” (2007)), UNESCO (data on international students numbers) and the Observatory on Borderless Higher Education, which provides news and in-depth reports on this field. Some of the most important reports used for this chapter are *The International Branch Campus* (Verbik: 2006), *Cross-border Higher Education* (Larsen: 2004), and *Borderless, Offshore, Transnational and Cross-border Education* (Knight: 2005). As there are no studies at the national level in the US, the sources used for the analysis of the transnational education offer and policies in the US include in addition to the reports just listed articles in the higher education press (The Chronicle of Higher Education, the Times Higher Education Supplement, etc.), papers from international workshops and conferences (e.g. the OECD and Nuffic International workshop on Cross-border higher education for capacity development), and some industry-based information services (various engineering and business associations).

Against the background of paucity of US-specific data in transnational education, it is even more notable that national stakeholders in Australia collect data on cross-border programme delivery as part of the state transnational education policy¹²²: the Australian Vice-Chancellors’ Committee (AVCC, now Universities Australia), IDP international, as well as the Department of Education, Science and Technology (DEST) all provide consolidated annual data on various aspects of transnational education¹²³. The availability of data in the UK, which is also very systematic in this respect, combined with findings from Australia helps to gain insight into the global distribution of transnational education offer.

¹²¹ Larsen, K., Momii, K., Vincent-Lancrin, S., *Cross-border Higher Education: an analysis of current trends, policy strategies and future scenarios*, The Observatory on Borderless Higher Education: 2004.

¹²² *Ibid.*

¹²³ Knight, J., *Borderless, Offshore, Transnational and Cross-border Education: Definition and Data Dilemmas*, The Observatory on Borderless Higher Education: 2005.

The main findings of the consulted studies all indicate that enrolments of foreign students in off-shore programmes have been on the rise this past decade¹²⁴ and that new types of delivery (partnership involvement, mixed modes and branch campuses) have gained importance. As far as programme and student numbers are concerned, Garrett and Verbik¹²⁵ report that Australia's transnational programmes reached out to 159 countries (compared to UK institutions which had students from 191 countries in their off shore programmes). In more than half of these countries, less than 100 students are enrolled. IDP reported that, in total, some 60,000 students were enrolled in Australian offshore programmes in 2006. As mentioned, there are no such figures exist for the US. According to OECD data there are 225 US-accredited programmes delivered abroad (compared to the almost 1,600 delivered by Australian institutions).

6.2 Main drivers at national and institutional level

6.2.1 National level policy on transnational education

In principle, US government involvement in higher education is limited to funding research and providing financial aid to students. Any other aspects, such as accreditation and the legal framework, reside at the state level. Unsurprisingly, there seems to be no consistent "internationalisation policy" for higher education at the federal level in the United States and rather the key actors are the different campus stakeholders¹²⁶. As far as US federal involvement in higher education relations are concerned, there is a hotchpotch of proposals, but in general international higher education policy has always reflected US foreign policy. The need for a national policy on international education has been repeatedly stressed by non-governmental associations, as in a recent joint policy statement of the Association of International Educators (NAFSA) and the Alliance for International Education and Cultural Exchange who reproach the US government for not having a "comprehensive policy for marshalling the vital resource of international education for national purposes"¹²⁷. As an inevitable consequence of the lack of an internationalisation strategy at the national level, it is clear that there is no national policy on transnational education, either.

The efforts by non-governmental organisations, such as NAFSA and the Institute of International Education (IIE), are remarkable, but in the light of a common national approach their contribution has been of limited impact: though they have underlined the topicality of transnational education, none of them have formulated a real 'transnational education strategy'. As far as US federal involvement in higher education relations are concerned, there is a hotchpotch of proposals, but in general, international higher education policy has always reflected US foreign policy. As to specific actions, there are educational and training programmes to enhance mutual understanding between the United States and other countries (such as the government-funded Fulbright Program, the International Visitor Program, and Education USA, by which the Department of State seeks to promote US higher

¹²⁴ Larsen, K., Momii, K., Vincent-Lancrin, S., *Cross-border Higher Education: an analysis of current trends, policy strategies and future scenarios*, The Observatory on Borderless Higher Education, 2004.

¹²⁵ Australian Department of Education Science and Training: 2004

¹²⁶ OECD, *Internationalisation and Trade in Higher Education. Opportunities and Challenges*, OECD, Paris: 2004.

¹²⁷ Johnson, M., *International Students and Visiting Scholars: Trends, Barriers, and Implications for American Universities and Foreign Policy*, Paper presented at the Subcommittee on International Organizations, Human Rights, and Oversight, Committee on Foreign Affairs, and the Subcommittee on Higher Education, Lifelong Learning, and Competitiveness, Committee on Education and Labour, United States House of Representatives, 29 June, 2007.

education abroad)¹²⁸. But what is striking is that all these efforts are intended to bring international students to US “onshore” campuses. It is thus not surprising that many transnational agreements have sprung from individual academic contacts, and not from joint strategies¹²⁹.

Australia, on the other hand, takes a much more systematic and fairly comprehensive approach to off-shore education at the national level. The Australian Department of Education, Science and Training (DEST), or more precisely its international arm, the Australian Education International (AEI), is active in a number of organisations worldwide, such as the South East Asia Ministers of Education Organization (SEAMEO) and the Asia-Pacific Education Ministers meetings. The Australian government uses Memoranda of Understanding (MoU) in education and training to build partnerships with relevant countries. (Chapter 3 will focus on which countries are relevant from a national perspective). Australia currently has memoranda with countries from Europe, the Americas, Asia, and the Middle East. These memoranda are drawn up by DEST and the education ministers from the respective countries. In general, memoranda intend to promote common education aims, laying the basis for education cooperation in forms of institutional links. Some are as detailed as to include mutual recognition of qualifications and credit transfer, a crucial factor in twinning arrangements¹³⁰.

National level support for exported education

As mentioned above, there is no consistently implemented national strategy on internationalisation and thus no national level support for transnational education in the US. One of the reasons, from an external perspective, is that quality assurance is not a governmental but a decentralised issue. In general, one can say that US government objectives for international exchange usually reflect foreign policy and national security objectives¹³¹.

Again, Australia has a different perspective on the matter: The importance of government support for offshore engagement is stressed in the AEI’s Strategic Directions for 2005-2008. National funding is available for marketing and governmental cooperation in emerging markets as well as for the creation and implementation of a system of quality assurance in offshore operations¹³². This Australian quality assurance policy is a unicum worldwide and finds its written expression in the Transnational Quality Strategy framework (TQS) drawn up by the Australian Ministers of Education and Training in 2005.¹³³ It sets goals and standards with regard to the delivery of transnational education. It should be noted however that Australian universities are legally self-accrediting institutions and thus wholly in charge of their own programme quality¹³⁴. Furthermore, the Australian government grants AUS\$1.4 million to universities developing good practice quality assurance models in offshore education and provides funds to evaluate credit transfer, curriculum adaptation, partner selection and course delivery in foreign languages¹³⁵.

¹²⁸ Berquist, B., *Development of Transnational Education Programs from a US Perspective*, October 2006.

¹²⁹ *Ibid.*

¹³⁰ Vossensteyn et al., *Offshore education*, Utrecht: 2007.

¹³¹ OECD, *Internationalisation and Trade in Higher Education. Opportunities and Challenges*, OECD, Paris: 2004.

¹³² Bateman, C., *Transnational Education: An in-depth look at this emerging market*, October 2005.

¹³³ The TQS is the only written statement on transnational education. The AEI has several papers on support for internationalisation (e.g. “Additional Promotion and Increased Presence in Overseas Markets”), but they *do not specify* branch campus development, offshore operation or the like.

¹³⁴ Davis, D. and Meares, D., *Transnational Education: Australia Online*. IDP Education Australia, Sydney: 2001.

¹³⁵ Vossensteyn et al., *Offshore education*, Utrecht: 2007.

6.2.2 Main motivations and drivers at the institutional level

Basic motivations from an institutional point of view

Australian universities have been operating transnational degree programmes for more than 20 years¹³⁶. As main motivating factors, studies point at the financial necessity to develop off-shore fee-paying courses due to shrinking government funding for universities. However, revenue generation (also from attracting students to the home country, where they generate greater profits because of higher tuition fees (in some cases) and indirect contribution to the economy (via living costs etc.) is only part of the picture. Knight points out the Australian emphasis on broader access for students and the belief that rising competition will ultimately be to the benefit of students. The US on the other hand calls attention to opportunities for new knowledge and skills¹³⁷. Prestige and academic benefits for staff and students are also considered to play a major role in the delivery of offshore education in Australia¹³⁸. A policy survey carried out in 2000¹³⁹ asked Australian universities to give rationales for offering educational programmes offshore. 41 percent of the participating universities stated that they aimed at generating additional sources of income, 31 percent strived for an increased profile and reputation, 13 percent wanted to internationalise the curriculum, 9 percent hoped to recruit international students to Australian campuses, and a respectable 6 percent was committed to building the capacity of the offshore partner.

There is no such survey for US universities. The 2004 OECD report identified the following drivers for internationalisation in higher education in general: in terms of academic drivers, US universities are striving for liberal education and quality in teaching. This goes along with the social dimension of internationalisation (understanding the world by bringing it to the classroom), whereas national security issues are reflected in the acknowledged need for diplomacy experts. More specifically, within the higher education institutions the report identified professional and research interests, academic and social goals as well as academic excellence, and revenue generation. The latter can be exemplified in the case of China. Feng writes that “even though foreign institutions usually charge tuition fees several times higher than those in domestic programmes, in general they cannot expect to make money from their provision in China. Rather, they are hoping to attract Chinese students to their home campuses to study for a period of time. That is why ‘1+3,’ ‘2+2,’ and ‘3+1’ arrangements are so popular.”¹⁴⁰ It goes without saying that however true the above may be for US universities, US-based education companies take a much more commercial approach to education provision abroad.

In a careful conclusion it is noteworthy that transnational education involvement is not wholly economically driven, but that it is expected to yield academic and societal benefits as well. This may in part explain the relatively small number of US institutions involved in transnational education: most of them have not yet felt the decline in international student numbers, and thus the need to cover for that – in economic terms – through transnational education. For the moment the higher education institutions involved in off-shore provision do so mainly for other motives, such as attracting high calibre students for further studies in the

¹³⁶ *Reversal of a trend? Australian universities withdraw from off-shore teaching*, OBHE Breaking News, 10 July 2007.

¹³⁷ Knight, J., *Trade in Higher Education Services: The Implications of GATS*, The Observatory on Borderless Higher Education, 2002.

¹³⁸ McBurnie, G., *Different perspectives on programme and institution mobility*. Paper presented at The World Bank, OECD and Nuffic International workshop on Cross-border higher education for capacity development, 14-15 September 2006.

¹³⁹ Davis, D. and Meares, D., *Transnational Education: Australia Online*. IDP Education Australia, Sydney: 2001.

¹⁴⁰ Feng, G. and Gong, S., *Sino-Foreign Joint Education Ventures: A National, Regional and Institutional Analysis*, The Observatory on Borderless Higher Education: 2006.

US, and creation of research links. It seems that the economic motives are far more central for Australian institutions involved in transnational education.

The past years have been a period of change and adaptation for US higher education. Whereas US universities could always rely on international students coming to their campuses, they were recently faced with new challenges: first of all, new visa regulations are posing obstacles to foreign students interested in studying in the US¹⁴¹. Secondly, primary and secondary expenses for studying in the US are on the rise. OECD reports in 2007 that the average annual tuition fee stands at around US\$ 5 000, placing the US thus top of the list among OECD countries¹⁴². Last but not least, there is a decline in international student numbers in the US, due to a growing competition from Australia, the UK, and other EU countries¹⁴³. All these are clear push factors for transnational education commitment for US institutions.

Factors with an impact on institutional choices

In Australia, universities wishing to operate offshore are faced with practical questions about cost of delivery and resource allocation. According to McBurnie the practical questions institutions need to address can be divided into 3 groups: *What do we propose to deliver and how? –What costs will there be? –Where will the resources come from?*¹⁴⁴ Preceding these practical issues are questions about destination countries, partners, as well as potential risks and benefits of offshore operation. By answering these questions, most Australian universities decide to engage in the Asia-Pacific region, where the costs are comparably low and the educational ties are the strongest: most students on Australian onshore campuses are from the Asia-Pacific region and there has been a long tradition of recognition of awards. Indeed, this is also the region with a high level of government involvement on higher education cooperation agreements (Memoranda of Understanding, presence in organisations, etc.).

There are, of course, differences in host country regulations. To give an example, one should look at the Indian higher education market. One reason, possibly, for Australian universities refraining from engaging in India is the lack of a regulatory framework. Australia (as well as New Zealand and Canada) has expressed an interest in operating in India, but Australian universities are still just following the developments in order to determine whether laws will be passed to enable legal operation. On the other hand there were already a total of 131 private Indian institutions collaborating with foreign institutions in 2004, most of these being British and American¹⁴⁵, while Australian universities seem to prefer to operate in a solid legal setting.

For Australian institutions, the factors that have an impact on institutional choices are directly linked to the potential for revenue generation. This is also true for US education companies. The US universities – these are the top few – are more looking into attracting brain capital to the own country by offering offshore education, hoping to lure the best and brightest to US campuses and research in the longer term.

¹⁴¹ see e.g. Anderson: 2005

¹⁴² OECD, *Education at Glance*. OECD, Paris: 2007.

¹⁴³ see e.g. Vossensteyn et al., *Offshore education*, Utrecht: 2007.

¹⁴⁴ McBurnie, G., *Different perspectives on programme and institution mobility*. Paper presented at The World Bank, OECD and Nuffic International workshop on Cross-border higher education for capacity development, 14-15 September 2006.

¹⁴⁵ Bhushan, S., *Foreign Education Providers in India: Mapping the extent of regulation*, The Observatory on Borderless Higher Education: 2006.

Institutional policies

An IDP report from 2000 found that most Australian universities had active transnational education policies. These include policies on academic entry requirements, academic assessment of students, intellectual property protection, requirement for financial return to university, and quality assurance of teaching¹⁴⁶. Policies that were identified as being under review were rationale for offshore programmes, selection of partner institutions, countries for offshore delivery, models of delivery and the adaptation of the curriculum. Policies are usually developed at the institutional level, rather than faculty level. In some cases both levels are involved, but in general there is an understanding that the approach to transnational education provision must be carried by the university as a whole¹⁴⁷.

For the US, it should be noted again that internationalisation may play an important role in the reform agenda of US universities, but transnational education is still a rather marginal phenomenon on US campuses. Internationalisation is more often understood restrictively as the presence foreign students on US campuses.

6.2.3 Reticence about transnational education

Transnational education operation naturally involves financial risks on the part of the providing institution. But the key concerns can also be expressed in reputational, legal and physical risks¹⁴⁸. These concerns have taken on a new dimension in the wake of some unsuccessful branch campuses, especially on behalf of Australian institutions (see Chapter 4). In the US, it is particularly difficult to advocate spending on internationalisation – and especially cross-border activity - while study costs for national students are on the rise.

At both the institutional and the national level, quality assurance and legal accreditation are continuing focal points. The need for frameworks (with regard to accreditation, qualification recognition, licensing and quality assurance) has been stressed by all countries involved, regardless of whether they are sending or receiving countries of transnational education. Knight rightly points out that “developing countries have expressed concern about their capacity to have such frameworks in place in light of the push toward trade liberalization and increased cross border delivery of education”¹⁴⁹. In this context, protest is raised about ethical matters, such as the traditional line of provision (from developed to developing countries) and the lack of coherence between access to higher education and the national education system¹⁵⁰. Ethical questions also concern the range of subjects offered: it is possible that transnational education providers limit the offer to profitable subjects driving out the local universities and leaving them to deal with non-profitable subjects. Furthermore, as Knight puts it: “Many would want to argue that for-profit private providers will not be willing to invest the time and resources to ensure that courses respect cultural traditions and include relevant local content.”¹⁵¹ After all, trade liberalisation should be to the benefit of all countries and people involved.

¹⁴⁶ Davis, D. and Meares, D., *Transnational Education: Australia Online*. IDP Education Australia, Sydney: 2001.

¹⁴⁷ *Ibid.*

¹⁴⁸ McBurnie, G., *Different perspectives on programme and institution mobility*, September 2006.

¹⁴⁹ Knight, J., *Trade in Higher Education Services: The Implications of GATS*, The Observatory on Borderless Higher Education: 2002, p. 13.

¹⁵⁰ Vossensteyn et al., *Offshore education*, Utrecht: 2007.

¹⁵¹ Knight, J., *GATS, Trade and Higher Education Services. Perspectives 2003: Where are we?*, The Observatory on Borderless Higher Education, 2003.

6.3 Overall assessment of the current offer

The numbers for the assessment of the overall offer of Australian cross-border education are mostly taken from national sources such as IDP, DEST and AVCC (now Universities Australia). IDP carried out a major survey on Australian transnational education in which 33 national higher education institutions, out of a total of 40, including two private universities) participated¹⁵². IDP also publishes statistics on international and transnational education, and the latest figures date to 2006. DEST and AVCC provide statistics on student numbers that date back to 2003.

The situation for the US is slightly more complex. OECD reports that there were 225 offshore programmes operated by US universities in 2004. On the one hand, this seems little as compared to some 1 500 Australian offshore programmes in 159 countries. On the other hand, in more than half of the countries where Australia is operating, there are less than 100 students involved in each. Furthermore, the number of US offshore programmes does not take into account US-based private education companies, which further distorts the figures and makes comparison between the two countries more difficult. Most importantly, numbers for the US are likely to be less comprehensive than DEST (or other Australian) data, as they have not been collected by a national stakeholder. The fact that the US is still said to be the biggest player in transnational education, by independent international surveys and host country evaluations alike, illustrates this dilemma.

6.3.1 Number of institutions offering degree-granting transnational education

AVCC identified 1 569 Australian offshore programmes for 2003, half of which were created after 2000 (see table below). There is no corresponding data available for the same year on the number of institutions offering these degrees, but in 1999 AVCC reported that 35 Australian universities were operating some kind of offshore programme. Given this number, and the fact that there are currently about 40 universities in Australia, it is realistic to say that the large majority of Australian higher education institutions are involved in transnational education and that Australia has, percentage-wise, a much higher ratio than the US.

Table 6: Current Offshore Programmes of Australian Universities by year of first intake

Country	Pre- 2000	2000	2001	2002	2003	Total (a)
China	98	30	22	24	24	200
Hong Kong (SAR)	154	21	26	23	16	227
Indonesia	15	3	2	1	3	25
Malaysia	174	59	28	24	29	321
Singapore	194	43	30	58	53	375
Others	260	62	39	43	18	421
Total all countries	895	218	147	173	143	1569

Source: Australian Vice-Chancellors Committee, *Australian Universities Offshore Programs, May 2003*
Notes: (a) The total may not add up due to expected 2004 programmes being included.

¹⁵² Davis, D. and Meares, D., *Transnational Education: Australia Online*. IDP Education Australia, Sydney: 2001.

US universities run about 225 offshore programmes - quite few compared to the total of almost 4 000 accredited degree-granting institutions. Berquist thinks that less than 50 institutions are involved in all. It is good to recall that, at the same time, the percentage of international students in the US is down to 3.4¹⁵³.

Private campus operators, so-called education companies, may not be big in terms of numbers, but they definitely are in terms of volume of operations. For example, revenue at Apollo Group Inc. totalled USD 2.5 billion in 2006¹⁵⁴, and up to now there has been a steady increase of 12.2 percent per year¹⁵⁵. This growth is a result of the increase in student numbers. For the third quarter of 2007, Apollo Group Inc. reports that enrolments are up to 311 000 students representing an increase of 12.2 percent compared to the previous year.

6.3.2 Number and types of programmes on offer

According to the IDP institutional survey¹⁵⁶, the most common fields for Australian offshore delivery were Business Administration and Economics, followed by Health and Science. Other subject areas mentioned were Science, Education, Arts, Humanities and Social Sciences, Architecture, Building, Engineering, Surveying and Law, as well as Legal Studies. With regard to all international students (onshore and offshore) AVCC states that all levels of study have seen an increase in student enrolment between 1996 and 2003. Transnational education students are mostly enrolled in bachelors programmes (in 2006, more than 36 000 transnational education students completed a bachelors degree). Masters courses are highly popular as well, with almost 47 percent of all Australian transnational education students completing their masters degree in 2006. Slightly more than 1 300 students completed an Australian doctorate offshore.

Table 7: Degree course completions for overseas students in transnational education by level, 2006

Level of course	Number of students
doctorate	1 341
masters	29 643
bachelors	36 396
Total	67 380

Source: extract from "Award course completions 2006: selected higher education statistics", DEST

There is too little data available to arrive at any conclusion about subjects and levels of US transnational education. Berquist assumes that most courses are offered at postgraduate level as this involves lower costs: usually one college or department and its core faculty is involved. This seems plausible, because there also appears to be an understanding that offshore education serves as a means of bringing potential for research to the US. Most commonly subjects offered are engineering and computer science as well as executive MBA programmes. US education companies offer courses at all levels and executive MBA programmes in particular. In the case of Apollo Group, subjects range from Accounting,

¹⁵³ UNESCO, *Global Education Digest: Comparing Education Statistics Across The World*, UNESCO, Montreal: 2006.

¹⁵⁴ Business Week (October 9, 2006) *Apollo Group Inc. (APOL: NASDAQ)*. Last accessed 4 October at <http://investing.businessweek.com/research/stocks/earnings/earnings.asp?symbol=APOL.O>, last accessed 3 December 2007

¹⁵⁵ <http://www.ernstrade.com/NASDAQ/ApolloGroup.html>, last accessed 3 December 2007

¹⁵⁶ Davis, D. and Meares, D., *Transnational Education: Australia Online*. 2001.

Marketing and E-Business to Health Care and Human Resource Management. Even though there are no coherent data available for other operators, it seems that they offer programmes in economically profitable subjects.

6.3.3 Mode of delivery of the programmes

Australia's offshore activities comprise all modes of delivery, from distance education to branch campus operations. This section explains the most common modes and recent developments.

According to the IDP survey, collaborative relationships are the most common mode of delivery of Australian transnational education (more than 85%). Both IDP and AVCC findings specify that collaborative relationships, from the early 1990s to 2000, mostly took the form of twinning programmes, including 2+2 and 3+1 arrangements. In these agreements, students spend the first part of their study period offshore and the rest in Australia. Australian transnational education has also always involved distance education, though not in a pure form. It has rather been used to complement partnership arrangements. Numbers for online learning are available only for 2001¹⁵⁷. Eleven Australian universities reported on offers of online courses (not exclusively for transnational education, though). Eight of these provided numbers for student enrolment in pure online courses (and mixed mode delivery): about 37 000 students (184 000 in mixed mode) were enrolled in 2001, more than 1 300 (8 000 in mixed mode) of them being international students.

Partnership arrangements gained ground in the late nineties. This development paralleled another trend, particularly in Malaysia towards 3+0 programmes. For a typology of Australian partnership arrangements, Bohm et al. used the following models: *direct*, *joint*, and *partner model*. In the *direct model*, the Australian university provider maintained overall responsibility for the academic compound of the programme. This was the case for 30 percent of the arrangements. In the *joint model* the responsibility was shared between the Australian university and the partner organisation. 65 percent of the programmes were operated this way. The remaining 5 percent carried out in the *partner model*, in which the partner organisation was mainly or completely in charge of the academic components.

While most Australian universities being public bodies, the choice of partners is a function of the relative size of the institution, not so much of legal status as illustrated in this statement:

“With the exception of Deakin University, which has a preponderance of partnerships with private institutions, large universities tend to make arrangements more with public educational institutions whereas small universities deal more with private institutes or, in particular, companies. This could be as a result of large universities having more established reputation in the global arena and therefore being able to negotiate arrangements more easily with other overseas universities. It could also be postulated that smaller, younger universities in general have more applied programs in the newer disciplines many of which are offered particularly at sub-degree level by private institutions.”¹⁵⁸

Branch campus delivery is a mode that has been established mainly in the last decade. A number of Australian branch campuses have originated from twinning or partnership agreements. For example, the Sunway (Monash) partnership in Malaysia has sprung from a

¹⁵⁷ Bohm A., et al., *The Global Student Mobility 2025 Report: Forecasts of the Global Demand for International Education*, IDP, Canberra: 2002.

¹⁵⁸ Davis, D. and Meares, D., *Transnational Education: Australia Online*, IDP Education Australia, Sydney: 2001, p. 107

minor twinning programme. Verbik reports that Australia ranks second in number of branch campuses, operating 12 percent of all international branch campuses. The US leads the list with 50 percent of all campuses¹⁵⁹, while the UK and Ireland are third, with 5 percent each¹⁶⁰.

For the US, there is no consolidated national data on numbers and modes of delivery. Yet, it is possible to deduce trends from findings of international studies and assessments by transnational education operators in the US. Berquist states that 2+2 and 3+1 twinning programmes are important and constitute the most common mode of delivery, but at the same time they are losing popularity due to post 9/11 visa regulations and growing competition from Australia and the UK. It seems that dual and joint degrees are the latest focus, in combination with distance education. With regard to distance education, there may be no insight into its reach beyond the US. However, taking into consideration that more than 50 percent of all US higher education institutions offer distance education (34 percent award degrees via distance education) and that about 2.9 million students are enrolled in distance education programmes, it is clear that this mode of delivery has great potential in transnational education. Concerning private education companies, there seems to be an equally high potential in distance education. The University of Phoenix (owned by the Apollo Group), which is also the largest US university in terms of enrolment, has between 60 000 and 140 000 online students, 4 000 of them overseas.

Also in the US the mode of delivery that has gained the high ground is the branch campus model, which has increased considerably over the last 10 years. Verbik reports that US universities operate 50 percent of a total of 82 official branch campuses worldwide. Quite opposed to their primary target, that is American students abroad, they are now catering for the needs of a new clientele with a recent focus on the Gulf region. As branch campuses are a rather long-term investment, it is interesting to analyse the rationales behind it. But at this point, one should be careful not to blur the lines between US universities and private operators: even though many branch campuses are operated by US public or private universities (Webster, Cornell, Carnegie Mellon), there is a considerable number of education companies active in this field (Apollo Group).

6.3.4 Numbers of (international) students participating in transnational education and the main destination countries

IDP provides data for 2006 on international students in Australia and in Australian offshore programmes. Almost 60 000 students are enrolled in transnational education programmes. Of these, around 15 000 are enrolled in off-campus distance or online learning and slightly more than 44 000 are studying at offshore campuses. Comparing these numbers to the enrolment of international students in Australian universities, we see that transnational students make up almost 30 percent of all international students in Australian higher education. The enrolment of international students in Australian universities was up to about 204 000 in the first semester of 2006. Compared to the same period in 2005, this constitutes an annual increase of 2.9 percent (see IDP). International students account for 17.3 percent of the total of the Australian student body¹⁶¹.

¹⁵⁹ The branch campuses described in this study do not include those that are intended for a country's own students.

¹⁶⁰ Verbik, L. and Merkely, C., *The International Branch Campus – Models and Trends*, 2006.

¹⁶¹ UNESCO, *Global Education Digest: Comparing Education Statistics Across The World*. UNESCO, Montreal: 2006.

Table 8: Percentage of international students in Australian universities by mode of study

Mode of study	%
Onshore full degree	65%
Onshore exchange	2%
Onshore study abroad	3%
Offshore distance or online	8%
Offshore on a campus	22%

Source: IDP survey of international students in Australian universities, semester 1, 2006

For the US, there is no corresponding data available. As far as international students in the US are concerned, OECD *Education at a glance 2007* provides the following data: the United States still is the number one destination for international students as of all international students worldwide, 22 percent are enrolled in the US. Other popular destinations are the UK and Australia, which account for 12 percent and 6 percent respectively. Yet, the percentage of international students enrolled in the US, compared to all students, is merely 3.4 percent, whereas it is 17.3 percent in Australia. Another interesting fact is that the US is losing its market share of the international student pie. Although the market for international student has increased between 2000 and 2005 and although foreign student numbers have risen in the US, other countries have benefited more. The US market share of the international education market has dropped from 26 to 22 percent in five years. This could possibly further influence US transnational education activity, as an alternative and complement to attracting international students into the US.

For Australia, the main source countries for transnational students in 2005 and 2006 were the following:

Table 9: Transnational student numbers by country

Country	2005	2006	Growth
Singapore	12,209	13,252	17.1%
Malaysia	12,301	12,831	4.3%
Hong Kong	11,174	9,581	-14.3%
China	7,763	8,661	42.4%
Vietnam	1,180	1,680	-6.7%
Total all countries	58,713	59,495	1.3%

Source: IDP timely statistics semester 1, 2006

Singapore and Malaysia are the most important markets for Australian transnational education, followed by Hong Kong and China. The fastest growing region for Australian off-shore operations is China. This trend will be further illustrated in the next chapter. Other minor countries for transnational education, not visible in this table are Canada, Fiji, Thailand, the UK and South Africa.

According to UNESCO's Global Education Digest 2006, 61 percent of all international students enrolled in Australian universities (including Australia's off-shore courses) are from Asia-Pacific countries¹⁶². The main source countries for international students in 2005 and 2006 were the following:

Table 10: International student numbers by country of origin

Country	2005	2006	Growth
China	29,740	34,985	17.6%
India	14,706	16,969	15.4%
Malaysia	12,451	12,037	-3.3%
Hong Kong	10,090	9,208	-8.7%
Indonesia	8,076	7,552	-6.5%
Total all countries	139,517	144,395	3.5%

Source: IDP timely statistics semester 1, 2006

The bulk of international students in Australian onshore campuses is made up of Chinese students, followed by Indian and Malaysian students. Numbers from Hong Kong as a source country for international as well as transnational students are declining.

Comparing the countries of transnational education operation to the countries of origin of foreign students for Australia, it is evident that Australia's transnational education activities focus on the main countries of origin of their international student body (with the exception of India as sending and Singapore as destination country): Australia invests in offshore programmes right where the majority of its international student body is from. As shown by the table above, Singapore is currently the biggest source in terms of student numbers, followed by Malaysia, Hong Kong, and China. The following analysis further explains the importance of these markets¹⁶³:

- i) In *Singapore*, more than 50 percent of students in transnational education programmes are enrolled in UK-accredited institutions, 40 percent are studying in Australian institutions.
- ii) *Malaysia* is host to five foreign branch campuses and more than 600 private colleges awarding both local and foreign degrees, most of them backed by an Australian university.
- iii) In *Hong Kong*, there were about 150 foreign educational institutions in 2001. Half of the foreign providers were from the UK and one-third Australian. US institutions also accounted for a minor number.
- iv) The number of foreign programmes in *China* has multiplied by nine between 1995 and 2003. In 2003 there were a total of 712 programmes, which are all offered as cooperative agreements with a local partner institution. The main partner countries were the US (154 programmes), Australia (146), and Canada (74).

¹⁶² UNESCO, *Global Education Digest: Comparing Education Statistics across the World*. UNESCO, Montreal: 2006.

¹⁶³ Larsen, K., et al., *Cross-border Higher Education: an analysis of current trends, policy strategies and future scenarios*. OBHE: 2004.

For the US, there is no national institute that provides insight into the destination countries of exported education and numbers of students in each of them. However, we know that the main countries of interest for transnational education activities are China, South Korea, Vietnam, the Middle East, and Turkey¹⁶⁴. For the US intake of international students, it is again OECD data that are most recent and coherent. *Education at a glance 2007* reports that 63 percent of all international students in the US are from Asian countries, 16 percent are Chinese, 14 percent Indian, 9 percent Korean and 8 percent Japanese. In all these countries, the US is the single most popular study destination. More than 50 percent of international students from India, Korea and Japan opt for the US¹⁶⁵.

Inferences on the countries of US cross-border operation can be drawn from the illustrations in this and the preceding sections. In terms of collaborative agreements in Asia, the US seems to be particularly active in India and China. They also operate in the countries of the Middle East, Eastern Europe, South America, and in Turkey¹⁶⁶, but it is difficult to make statements about the modes of delivery in each of the destination countries or regions. The increase in Middle East activity is linked to a new mode of operation of branch campuses: facilities can be provided by the host country, which is the case of both the Dubai Knowledge Village and the Qatar Education City (See Chapter 4).

The Asia-Pacific region is indisputably the major host of transnational education. There have been a number of reports at international level to showcase this. But as Larsen rightly points out, Eastern Europe, South America, and recently the wealthier countries of the Middle East are also receivers of transnational education provision¹⁶⁷.

6.4 Future development of transnational education

6.4.1 Expected importance of transnational education for the higher education sectors in the US and Australia

There is high growth predicted for transnational education in general and an increasing engagement of US universities in particular. However, Berquist rightly points out that the US sector needs a common framework for quality assurance and accreditation (accreditation is a regional matter and programme-specific) as well as a centralised data collection in order to operate effectively in the long run and so as to involve the whole plethora of universities and colleges in such international activities. Further challenges are the fact that the US system is self-regulating, and that there is no government funding for transnational education and no common terminology. Whether US universities will become more active in transnational education on a large scale is presumably a function of so-called push-factors that affect the national higher education system and the economy as a whole. These factors include rising restrictions by security measures to retain foreign students and the revenue they generate, growing intraregional cooperation in Asia-Pacific and rising competition from Europe through the Bologna process. While the first factor may lead US universities to seek income generation at the source, i.e. in the countries of origin of international students, the latter two will have economic implications on the US as a whole. It is important to keep in mind that although international student numbers between 2000 and 2005 have increased in the

¹⁶⁴ Berquist, B., *Development of Transnational Education Programs from a US Perspective*, October 2006.

¹⁶⁵ OECD, *Education at Glance*, OECD, Paris: 2007.

¹⁶⁶ Berquist, B., *Development of Transnational Education Programs from a US Perspective*, October 2006, and Larsen, K., et al., *Cross-border Higher Education: an analysis of current trends, policy strategies and future scenarios*, OBHE: 2004.

¹⁶⁷ Berquist, B., *Development of Transnational Education Programs from a US Perspective*, October 2006.

United States, other countries have benefited more from the growing market. Compared to 2000, the United States lost 4.5 percent of its share of the international education market to other countries¹⁶⁸. One should also be aware of the fact that international education is the US' fifth largest service sector export¹⁶⁹, with international students generating an economic benefit of up \$13.5 billion per year (this number is also taken from the NAFSA statement for the academic year 2005-2006).

There are different scenarios for the future development of cross-border provision and the national higher education system in the US. Verbik believes that competition from Australia and Europe as well as the 9/11 aftermath will "stimulate" US transnational education engagement, especially through the development of joint degrees¹⁷⁰. According to the OECD the US will either be operating more branch campuses, increase their use of distance education to reach students in other countries, or create completely new areas of growth accompanying the decline of foreign students¹⁷¹. One thing is clear, however: the US higher education sector will sooner or later react to the decline in international student numbers on its campuses and this reaction will have an effect on the global education scene.

In Australia, on the other hand, international student numbers are growing. IDP's 2000 survey revealed that 35 of the then 37 Australian universities, an overwhelming majority, planned to expand their transnational programmes¹⁷². In 2006 there were about 60 000 international students enrolled in Australian offshore programmes, which exemplifies that transnational education has become an accepted mode of delivery¹⁷³.

According to the Global Student Mobility Report, the demand for (global) international education is forecast to increase from 1.8 million international students in 2000 to 7.2 million international students in 2025¹⁷⁴. The picture is clear: internationalisation is on the rise, and so is Australian transnational education engagement. However, in order to be objective, one must always have a closer look at specific markets. It should be clear that there cannot be infinite growth everywhere. For example, Verbik states that for Singapore and Hong Kong, a saturation point has been reached¹⁷⁵. Some Asian host countries are increasingly strengthening their own higher education as a response to transnational education, which further reduced the market for such provision.

In the US, the responsibility for internationalisation, and thus also for transnational education, is unlikely to be transferred from the institutional to the national level. Institutions will be in charge of funding in the foreseeable future by grants, internal allocation and alliances. Federal funding will probably be available through the continuing programmes (for international students), but innovative key initiatives are highly improbable. The same is true

¹⁶⁸ OECD, *Education at Glance*, OECD, Paris: 2007.

¹⁶⁹ Johnson, M., *International Students and Visiting Scholars: Trends, Barriers, and Implications for American Universities and Foreign Policy*, Paper presented at the Subcommittee on International Organizations, Human Rights, and Oversight, Committee on Foreign Affairs, and the Subcommittee on Higher Education, Lifelong Learning, and Competitiveness, Committee on Education and Labour, United States House of Representatives, 29 June, 2007

¹⁷⁰ Verbik, L. and Merkely, C., *The International Branch Campus – Models and Trends*, OBHE: 2006.

¹⁷¹ OECD, *Internationalisation and Trade in Higher Education. Opportunities and Challenges*, OECD, Paris: 2004.

¹⁷² Davis, D. and Meares, D., *Transnational Education: Australia Online*. IDP Education Australia, Sydney: 2001.

¹⁷³ Davis, D., et al., *Transnational Education: Providers, Partners and Policy, Challenges for Australian Institutions Offshore*. IDP Education Australia, Brisbane: 2006

¹⁷⁴ Bohm A., et al., *The Global Student Mobility 2025 Report*, 2002.

¹⁷⁵ Verbik, L. and Merkely, C., *The International Branch Campus – Models and Trends*, OBHE: 2006.

for the state level support¹⁷⁶. The national level support for transnational education in Australia is likely to continue, but funding for universities is on a downward move. This makes the economic approach – i.e. revenue-generation - to transnational education as well as to internationalisation in general more imminent.

6.4.2 Return on investment and benefits of transnational education

The major benefits of transnational education activity for US universities seem to be the continuing growth in undergraduate international student enrolment, which feeds postgraduate international recruitment and the enrichment of the academic experience in twinning arrangements. Seen in the light of declining enrolment of international students, this is even more vital to the nation's higher education system. Berquist also notes that there is a potentially higher yield from off-shore transnational education programmes, as well as a possibility for faculty development. The original intention in setting up branch campuses, that is providing study abroad sites for American students, remains a minor but valid reason for transnational education involvement¹⁷⁷.

IDP's 2000 study included an evaluation of the impact of cross-border provision¹⁷⁸. The respondents were asked to list the positive and negative impacts on their university from transnational education. The most common ones mentioned were the improved profile, increased income and staff development. Some minor positive impacts were international awareness, internationalisation of student body and curriculum, and development of alternative modes of delivery. On the other hand, some negative impacts cited were pressure on resources (especially human), quality control issues and reputational risks.

The OBHE, however, reports in July 2007 about a "Reversal of a trend" or rather a "Reversal of a trend?". It refers to some Australian universities that have withdrawn from their off-shore activities. Among these are the University of New South Wales, the University of Technology Sydney, or Flinders University in Hong Kong and Singapore. One major reason for the withdrawal seemed to be a lack of profitability. This does not mean that the operations did not generate income. Rather, "as Australian universities have had to become more cost-efficient due to declining public funding, several institutions appear to be belatedly realising that off-shore courses, even when they bring in desirable revenue, are not necessarily very profitable"¹⁷⁹.

6.4.3 Trends in transnational education

Jane Knight carried out a study in 2006 that looked more closely at trends in international education. The report identified two significant global developments, which are especially true for Australia and the US as key players. The first one describes a move from student mobility to programme or provider mobility. This is particularly interesting if one keeps in mind the overwhelming forecast in international student numbers in general. The second

¹⁷⁶ OECD, *Internationalisation and Trade in Higher Education. Opportunities and Challenges*, Paris: OECD: 2004.

¹⁷⁷ Berquist, B., *Development of Transnational Education Programs from a US Perspective*, October 2006.

¹⁷⁸ Davis, D., et al., *Transnational Education: Providers, Partners and Policy, Challenges for Australian Institutions Offshore*. IDP Education Australia, Brisbane: 2006

¹⁷⁹ *Reversal of a trend? Australian universities withdraw from off-shore teaching*, OBHE Breaking News, 10th July 2007.

trend illustrates a shift from development cooperation to competition and commerce – or, as Knight puts it, “from aid to trade”¹⁸⁰.

In terms of modes of delivery, there seems to be a common agreement that partnership arrangements will gain in importance. Davis et al. identified a trend towards more partner responsibility as well as towards the inclusion of online learning for blended learning in Australian transnational education delivery¹⁸¹. OECD suggests, despite the paucity of data, that US universities will look more into partnerships with overseas enrolment. It also sees a potential for including distance education. From a host country’s point of view, e.g. China, some experts suggest that joint institutions and programmes will play a vital role in the national higher education system, complementing public and private universities there¹⁸².

One mode of delivery that deserves special attention at this point is the branch campus model, which has become a popular mode of delivery mostly for US, British and Australian universities in the last decade. From an economic point of view, this model is characterised by a high initial investment possibly without financial benefits in the short term. From a marketing point of view it is the most efficient mode to increase visibility and to help branding. Verbik recently identified an interesting development in the way these models are funded. Next to self-funded and external funded institutions, some host countries now provide facilities to the delivering institutions. This narrows the financial risk of operation substantially and has so far proved an effective way to attract high-calibre universities to provide offshore education in the host country. The leading hosts in this area are the United Arab Emirates, with its recently established (and still growing) Dubai Knowledge Village. Further examples in the Gulf region are the Education City in Qatar and the University City in Sharjah with plans for two more in Abu Dhabi and Bahrain.¹⁸³ Even though the provision of facilities constitutes a pull factor for transnational education, institutions still have to consider remaining financial risks and the potential harm to their reputation in an unsuccessful case.

One last phenomenon to be mentioned is the blurring of the traditional lines of provision: US and Australia are traditionally exporters of higher education, but some examples of a reversed movement of education provision can be observed. Carnegie Mellon, a well-known US university, has opened a branch campus in South Australia. This, along with the closure of some unprofitable Australian offshore operations in Asia, goes to show that transnational education is not only about exporting higher education for economic reasons, but that it can also be vital in the competition for the national higher education system.

6.5 Conclusion

This study set out to give an overall idea of US and Australian transnational education engagements, looking at national and institutional level perspectives, the extent of current operations as well as some possible future trends.

For the US, it is important to keep in mind that internationalisation, and transnational education even more so, is a marginal phenomenon for most campuses. The ultimate goal of transnational education, next to income generation, is to attract more students to US

¹⁸⁰ Knight, J., *Higher Education Crossing Borders: A Guide to the Implications of the General Agreement on Trades in Services (GATS) for Cross-border Education*, COL/UNESCO, Paris: 2006, p. 20

¹⁸¹ Davis, D. and Meares, D., *Transnational Education: Australia Online*. IDP Education Australia, Sydney: 2001.

¹⁸² Feng, G. and Gong, S., *Sino-Foreign Joint Education Ventures: A National, Regional and Institutional Analysis*, OBHE: 2006.

¹⁸³ Verbik, L. and Merkely, C., *The International Branch Campus – Models and Trends*, OBHE: 2006.

campuses and to help build brands. This is crucial considering the lack of a coherent national strategy, let alone funding for transnational education. Whether US universities will be more involved in transnational education in the future may depend on push factors, such as dropping student numbers due to visa regulations and increased competition.

Australia, on the other has a very systematic approach to transnational education. The Australian government is involved in enhancing the attractiveness of Australian offshore education. It is true however, that Australian transnational education is more immediately profit-driven. The major countries of operation are the ones that account for the largest numbers of international students on Australian campuses. For Australia, the question is not whether universities will be more actively involved in transnational education in the future, but rather how and where. As was mentioned in this chapter, some countries might have reached a saturation point, while others are still on the rise. Also, the traditional lines of provision have become blurred. For both countries, studies suggest that partnership models, branch campuses and the inclusion of distance education as a complement will gain in importance. There is, however, a third party involved which is often subsumed under US transnational education, namely private education companies like the Apollo Group. Even though, or rather because, they are not linked to national stances on transnational education, they are a good indicator for the potential for offshore delivery. When looking at further developments in transnational education one should keep in mind that their operating rationale is substantially different from US public or private universities and that the latter are still far from tapping their whole potential.

It is probable that the US and Australia will continue to be the leaders in transnational education provision in the near future, but competition from European countries or Europe as a whole as well as the growth of domestic education in some current host countries will have an impact on the global higher education scene in the long or medium term.